



General Assembly

**Bill No. 2001**

*June Special Session,  
2001*

LCO No. 9122

Referred to Committee on No Committee

Introduced by:

SEN. SULLIVAN, 5<sup>th</sup> Dist.

REP. LYONS, 146<sup>th</sup> Dist.

***AN ACT CONCERNING VARIOUS TAXES AND OTHER PROVISIONS  
RELATED TO REVENUES OF THE STATE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. Subdivision (2) of section 12-407 of the general statutes is  
2       repealed and the following is substituted in lieu thereof:

3       (2) "Sale" and "selling" mean and include: (a) Any transfer of title,  
4       exchange or barter, conditional or otherwise, in any manner or by any  
5       means whatsoever, of tangible personal property for a consideration;  
6       (b) any withdrawal, except a withdrawal pursuant to a transaction in  
7       foreign or interstate commerce, of tangible personal property from the  
8       place where it is located for delivery to a point in this state for the  
9       purpose of the transfer of title, exchange or barter, conditional or  
10      otherwise, in any manner or by any means whatsoever, of the property  
11      for a consideration; (c) the producing, fabricating, processing, printing  
12      or imprinting of tangible personal property for a consideration for  
13      consumers who furnish either directly or indirectly the materials used  
14      in the producing, fabricating, processing, printing or imprinting,

15 including, but not limited to, sign construction, photofinishing,  
16 duplicating and photocopying; (d) the furnishing and distributing of  
17 tangible personal property for a consideration by social clubs and  
18 fraternal organizations to their members or others; (e) the furnishing,  
19 preparing, or serving for a consideration of food, meals or drinks; (f) a  
20 transaction whereby the possession of property is transferred but the  
21 seller retains the title as security for the payment of the price; (g) a  
22 transfer for a consideration of the title of tangible personal property  
23 which has been produced, fabricated or printed to the special order of  
24 the customer, or of any publication, including but not limited to, sign  
25 construction, photofinishing, duplicating and photocopying; (h) a  
26 transfer for a consideration of the occupancy of any room or rooms in a  
27 hotel or lodging house for a period of thirty consecutive calendar days  
28 or less; (i) the rendering of certain services for a consideration,  
29 exclusive of such services rendered by an employee for the employer,  
30 as follows: (A) Computer and data processing services, including, but  
31 not limited to, time, programming, code writing, modification of  
32 existing programs, feasibility studies and installation and  
33 implementation of software programs and systems even where such  
34 services are rendered in connection with the development, creation or  
35 production of canned or custom software or the license of custom  
36 software, and exclusive of services rendered in connection with the  
37 creation, development hosting or maintenance of all or part of a web  
38 site which is part of the graphical, hypertext portion of the Internet,  
39 commonly referred to as the World-Wide Web, (B) credit information  
40 and reporting services, (C) services by employment agencies and  
41 agencies providing personnel services, (D) private investigation,  
42 protection, patrol work, watchman and armored car services, exclusive  
43 of services of off-duty police officers and off-duty firefighters, (E)  
44 painting and lettering services, (F) photographic studio services, (G)  
45 telephone answering services, (H) stenographic services, (I) services to  
46 industrial, commercial or income-producing real property, including,  
47 but not limited to, such services as management, electrical, plumbing,  
48 painting and carpentry and excluding any such services rendered in

49 the voluntary evaluation, prevention, treatment, containment or  
50 removal of hazardous waste, as defined in section 22a-115, or other  
51 contaminants of air, water or soil, provided income-producing  
52 property shall not include property used exclusively for residential  
53 purposes in which the owner resides and which contains no more than  
54 three dwelling units, or a housing facility for low and moderate  
55 income families and persons owned or operated by a nonprofit  
56 housing organization, as defined in subsection (29) of section 12-412,  
57 (J) business analysis, management, management consulting and public  
58 relations services, excluding (i) any environmental consulting services,  
59 and (ii) any training services provided by an institution of higher  
60 education licensed or accredited by the Board of Governors of Higher  
61 Education pursuant to section 10a-34, (K) services providing "piped-in"  
62 music to business or professional establishments, (L) flight instruction  
63 and chartering services by a certificated air carrier on an aircraft, the  
64 use of which for such purposes, but for the provisions of subsection (4)  
65 of section 12-410 and subsection (12) of section 12-411, would be  
66 deemed a retail sale and a taxable storage or use, respectively, of such  
67 aircraft by such carrier, (M) motor vehicle repair services, including  
68 any type of repair, painting or replacement related to the body or any  
69 of the operating parts of a motor vehicle, (N) motor vehicle parking,  
70 including the provision of space, other than metered space, in a lot  
71 having thirty or more spaces, excluding (i) space in a seasonal parking  
72 lot provided by a person who is exempt from taxation under this  
73 chapter pursuant to subsection (1), (5) or (8) of section 12-412, (ii) space  
74 in a parking lot owned or leased under the terms of a lease of not less  
75 than ten years' duration and operated by an employer for the exclusive  
76 use of its employees, (iii) valet parking provided at any airport, [and]  
77 (iv) space in municipally-operated railroad parking facilities in  
78 municipalities located within an area of the state designated as a  
79 severe nonattainment area for ozone under the federal Clean Air Act,  
80 or space in a railroad parking facility in a municipality located within  
81 an area of the state designated as a severe nonattainment area for  
82 ozone under the federal Clean Air Act owned or operated by the state

83 on or after April 1, 2000, (O) radio or television repair services, (P)  
84 furniture reupholstering and repair services, (Q) repair services to any  
85 electrical or electronic device, including, but not limited to, equipment  
86 used for purposes of refrigeration or air-conditioning, (R) lobbying or  
87 consulting services for purposes of representing the interests of a client  
88 in relation to the functions of any governmental entity or  
89 instrumentality, (S) services of the agent of any person in relation to  
90 the sale of any item of tangible personal property for such person,  
91 exclusive of the services of a consignee selling works of art, as defined  
92 in subsection (b) of section 12-376c, or articles of clothing or footwear  
93 intended to be worn on or about the human body other than (i) any  
94 special clothing or footwear primarily designed for athletic activity or  
95 protective use and which is not normally worn except when used for  
96 the athletic activity or protective use for which it was designed, and (ii)  
97 jewelry, handbags, luggage, umbrellas, wallets, watches and similar  
98 items carried on or about the human body but not worn on the body in  
99 the manner characteristic of clothing intended for exemption under  
100 subdivision (47) of section 12-412, under consignment, exclusive of  
101 services provided by an auctioneer, (T) locksmith services, (U)  
102 advertising or public relations services, including layout, art direction,  
103 graphic design, mechanical preparation or production supervision, not  
104 related to the development of media advertising or cooperative direct  
105 mail advertising, (V) landscaping and horticulture services, (W)  
106 window cleaning services, (X) maintenance services, (Y) janitorial  
107 services, (Z) exterminating services, (AA) swimming pool cleaning and  
108 maintenance services, (BB) renovation and repair services as set forth  
109 in this subparagraph, to other than industrial, commercial or  
110 income-producing real property: Paving of any sort, painting or  
111 staining, wallpapering, roofing, siding and exterior sheet metal work,  
112 (CC) miscellaneous personal services included in industry group 729  
113 in the Standard Industrial Classification Manual, United States Office  
114 of Management and Budget, 1987 edition, or U.S. industry 532220,  
115 812191, 812199 or 812990 in the North American Industrial  
116 Classification System United States manual, United States Office of

117 Management and Budget, 1997 edition, exclusive of (i) services  
118 rendered by massage therapists licensed pursuant to chapter 384a, and  
119 (ii) services rendered by a hypertrichologist licensed pursuant to  
120 chapter 388, (DD) any repair or maintenance service to any item of  
121 tangible personal property including any contract of warranty or  
122 service related to any such item, (EE) business analysis, management  
123 or managing consulting services rendered by a general partner, or an  
124 affiliate thereof, to a limited partnership, provided (i) that the general  
125 partner, or an affiliate thereof, is compensated for the rendition of such  
126 services other than through a distributive share of partnership profits  
127 or an annual percentage of partnership capital or assets established in  
128 the limited partnership's offering statement, and (ii) the general  
129 partner, or an affiliate thereof, offers such services to others, including  
130 any other partnership. As used in subparagraph (EE)(i) "an affiliate of  
131 a general partner" means an entity which is directly or indirectly  
132 owned fifty per cent or more in common with a general partner, [;] and  
133 (FF) notwithstanding the provisions of section 12-412, except  
134 subsection (87) thereof, patient care services, as defined in subsection  
135 (29) of this section by a hospital, except that "sale" and "selling" does  
136 not include such patient care services rendered during the period  
137 commencing July 1, 2001, and ending June 30, 2003; (j) the leasing or  
138 rental of tangible personal property of any kind whatsoever, including,  
139 but not limited to, motor vehicles, linen or towels, machinery or  
140 apparatus, office equipment and data processing equipment, provided  
141 for purposes of this subdivision and the application of sales and use  
142 tax to contracts of lease or rental of tangible personal property, the  
143 leasing or rental of any motion picture film by the owner or operator of  
144 a motion picture theater for purposes of display at such theater shall  
145 not constitute a sale within the meaning of this subsection; (k) the  
146 rendering of telecommunications service, as defined in subsection (26)  
147 of this section, for a consideration on or after January 1, 1990, exclusive  
148 of any such service rendered by an employee for the employer of such  
149 employee, subject to the provisions related to telecommunications  
150 service in accordance with section 12-407a; (l) the rendering of

151 community antenna television service, as defined in subsection (27) of  
152 this section, for a consideration on or after January 1, 1990, exclusive of  
153 any such service rendered by an employee for the employer of such  
154 employee; (m) the transfer for consideration of space or the right to use  
155 any space for the purpose of storage or mooring of any noncommercial  
156 vessel, exclusive of dry or wet storage or mooring of such vessel  
157 during the period commencing on the first day of November in any  
158 year to and including the thirtieth day of April of the next succeeding  
159 year; (n) the sale for consideration of naming rights to any place of  
160 amusement, entertainment or recreation within the meaning of  
161 subdivision (3) of section 12-540; (o) the transfer for consideration of a  
162 prepaid telephone calling service, as defined in subsection (34) of this  
163 section, and the recharge of a prepaid telephone calling service,  
164 provided, if the sale or recharge of a prepaid telephone calling service  
165 does not take place at the retailer's place of business and an item is  
166 shipped by the retailer to the customer, the sale or recharge shall be  
167 deemed to take place at the customer's shipping address, but, if such  
168 sale or recharge does not take place at the retailer's place of business  
169 and no item is shipped by the retailer to the customer, the sale or  
170 recharge shall be deemed to take place at the customer's billing  
171 address or the location associated with the customer's mobile  
172 telephone number. Wherever in this chapter reference is made to the  
173 sale of tangible personal property or services, it shall be construed to  
174 include sales described in this subsection, except as may be specifically  
175 provided to the contrary.

176 Sec. 2. Subdivision (1) of section 12-411 of the general statutes is  
177 repealed and the following is substituted in lieu thereof:

178 (1) An excise tax is hereby imposed on the storage, acceptance,  
179 consumption or any other use in this state of tangible personal  
180 property purchased from any retailer for storage, acceptance,  
181 consumption or any other use in this state, the acceptance or receipt of  
182 any services constituting a sale in accordance with subdivision (2) of  
183 section 12-407, purchased from any retailer for consumption or use in

184 this state, or the storage, acceptance, consumption or any other use in  
185 this state of tangible personal property which has been manufactured,  
186 fabricated, assembled or processed from materials by a person, either  
187 within or without this state, for storage, acceptance, consumption or  
188 any other use by such person in this state, to be measured by the sales  
189 price of materials, at the rate of six per cent of the sales price of such  
190 property or services, except, in lieu of said rate of six per cent, (A) at a  
191 rate of twelve per cent of the rent paid for occupancy of any room or  
192 rooms in a hotel or lodging house for the first period of not exceeding  
193 thirty consecutive calendar days, (B) with respect to the storage,  
194 acceptance, consumption or use in this state of a motor vehicle  
195 purchased from any retailer for storage, acceptance, consumption or  
196 use in this state by any individual who is a member of the armed  
197 forces of the United States and is on full-time active duty in  
198 Connecticut and who is considered, under 50 App USC 574, a resident  
199 of another state, or to any such individual and the spouse of such  
200 individual at a rate of four and one-half per cent of the sales price of  
201 such vehicle, provided such retailer requires and maintains a  
202 declaration by such individual, prescribed as to form by the  
203 commissioner and bearing notice to the effect that false statements  
204 made in such declaration are punishable, or other evidence,  
205 satisfactory to the commissioner, concerning the purchaser's state of  
206 residence under 50 App USC 574, (C) with respect to the acceptance or  
207 receipt in this state of labor that is otherwise taxable under subdivision  
208 (c) or (g) of subsection (2) of section 12-407 on existing vessels and  
209 repair or maintenance services on vessels occurring on and after July 1,  
210 1999, such services shall be exempt from such tax, (D) with respect to  
211 the acceptance or receipt in this state of computer and data processing  
212 services purchased from any retailer for consumption or use in this  
213 state occurring on or after July 1, 1997, and prior to July 1, 1998, at the  
214 rate of five per cent of such services, on or after July 1, 1998, and prior  
215 to July 1, 1999, at the rate of four per cent of such services, on or after  
216 July 1, 1999, and prior to July 1, 2000, at the rate of three per cent of  
217 such services, on or after July 1, 2000, and prior to July 1, 2001, at the

218 rate of two per cent of such services, on and after July 1, 2001, and  
219 prior to July 1, 2002, at the rate of one per cent of such services and on  
220 and after July 1, 2002, such services shall be exempt from such tax, (E)  
221 with respect to the acceptance or receipt in this state of patient care  
222 services purchased from any retailer for consumption or use in this  
223 state occurring on or after July 1, 1999, and prior to July 1, 2001, and  
224 with respect to acceptance or receipt in this state of such services  
225 occurring on or after July 1, 2003, at the rate of five and three-fourths  
226 per cent, and (F) with respect to acceptance of the renovation and  
227 repair services of paving of any sort, painting or staining,  
228 wallpapering, roofing, siding and exterior sheet metal work, to other  
229 than industrial, commercial or income-producing real property,  
230 occurring on or after July 1, 1999, and prior to July 1, 2000, at the rate  
231 of four per cent, with respect to such sales occurring on or after July 1,  
232 2000, and prior to July 1, 2001, at the rate of two per cent, and on and  
233 after July 1, 2001, sales of such renovation and repair services shall be  
234 exempt from such tax.

235 Sec. 3. Subdivision (1) of section 12-408 of the general statutes is  
236 repealed and the following is substituted in lieu thereof:

237 (1) For the privilege of making any sales, as defined in subdivision  
238 (2) of section 12-407, at retail, in this state for a consideration, a tax is  
239 hereby imposed on all retailers at the rate of six per cent of the gross  
240 receipts of any retailer from the sale of all tangible personal property  
241 sold at retail or from the rendering of any services constituting a sale in  
242 accordance with subdivision (2) of section 12-407, except, in lieu of said  
243 rate of six per cent, (A) at a rate of twelve per cent with respect to each  
244 transfer of occupancy, from the total amount of rent received for such  
245 occupancy of any room or rooms in a hotel or lodging house for the  
246 first period not exceeding thirty consecutive calendar days, (B) with  
247 respect to the sale of a motor vehicle to any individual who is a  
248 member of the armed forces of the United States and is on full-time  
249 active duty in Connecticut and who is considered, under 50 App USC  
250 574, a resident of another state, or to any such individual and the



251 spouse thereof, at a rate of four and one-half per cent of the gross  
252 receipts of any retailer from such sales, provided such retailer requires  
253 and maintains a declaration by such individual, prescribed as to form  
254 by the commissioner and bearing notice to the effect that false  
255 statements made in such declaration are punishable, or other evidence,  
256 satisfactory to the commissioner, concerning the purchaser's state of  
257 residence under 50 App USC 574, (C) (i) with respect to the sales of  
258 computer and data processing services occurring on or after July 1,  
259 1997, and prior to July 1, 1998, at the rate of five per cent, on or after  
260 July 1, 1998, and prior to July 1, 1999, at the rate of four per cent, on or  
261 after July 1, 1999, and prior to July 1, 2000, at the rate of three per cent,  
262 on or after July 1, 2000, and prior to July 1, 2001, at the rate of two per  
263 cent, on or after July 1, 2001, and prior to July 1, 2002, at the rate of one  
264 per cent and on and after July 1, 2002, such services shall be exempt  
265 from such tax, (ii) with respect to sales of Internet access services, on  
266 and after July 1, 2001, such services shall be exempt from such tax, (D)  
267 with respect to the sales of labor that is otherwise taxable under  
268 subdivision (c) or (g) of subsection (2) of section 12-407 on existing  
269 vessels and repair or maintenance services on vessels occurring on and  
270 after July 1, 1999, such services shall be exempt from such tax, (E) with  
271 respect to sales of the renovation and repair services of paving of any  
272 sort, painting or staining, wallpapering, roofing, siding and exterior  
273 sheet metal work, to other than industrial, commercial or income-  
274 producing real property, occurring on or after July 1, 1999, and prior to  
275 July 1, 2000, at the rate of four per cent, with respect to such sales  
276 occurring on or after July 1, 2000, but prior to July 1, 2001, at the rate of  
277 two per cent, and on and after July 1, 2001, sales of such renovation  
278 and repair services shall be exempt from such tax, and (F) with respect  
279 to patient care services occurring on or after July 1, 1999, and prior to  
280 July 1, 2001, and with respect to such services occurring on or after July  
281 1, 2003, at the rate of five and three-fourths per cent. The rate of tax  
282 imposed by this chapter shall be applicable to all retail sales upon the  
283 effective date of such rate, except that a new rate which represents an  
284 increase in the rate applicable to the sale shall not apply to any sales

285 transaction wherein a binding sales contract without an escalator  
286 clause has been entered into prior to the effective date of the new rate  
287 and delivery is made within ninety days after the effective date of the  
288 new rate. For the purposes of payment of the tax imposed under this  
289 section, any retailer of services taxable under subdivision (2)(i) of  
290 section 12-407, who computes taxable income, for purposes of taxation  
291 under the Internal Revenue Code of 1986, or any subsequent  
292 corresponding internal revenue code of the United States, as from time  
293 to time amended, on an accounting basis which recognizes only cash  
294 or other valuable consideration actually received as income and who is  
295 liable for such tax only due to the rendering of such services may make  
296 payments related to such tax for the period during which such income  
297 is received, without penalty or interest, without regard to when such  
298 service is rendered.

299 Sec. 4. Section 12-202b of the general statutes is repealed and the  
300 following is substituted in lieu thereof:

301 (a) For income years commencing on or after January 1, 2000, there  
302 shall be allowed as a credit against the tax imposed by section 12-202a  
303 an amount as calculated pursuant to subsection (b) of this section.

304 (b) (1) The amount of credit allowed in any income year  
305 commencing prior to January 1, 2001, shall be equal to fifty-five dollars  
306 multiplied by the sum of the number of persons provided health care  
307 coverage by the taxpayer under the HUSKY [Medicaid] Plan, Part A,  
308 HUSKY Plan, Part B [.] or the HUSKY Plus programs, each as defined  
309 in section 17b-290, on the first day of each month of the income year  
310 for which the credit is taken, divided by twelve.

311 (2) The amount of credit allowed in any income year commencing  
312 on or after January 1, 2001, shall be equal to seventy-three dollars and  
313 fifty cents multiplied by the sum of the number of persons provided  
314 health care coverage by the taxpayer under the HUSKY Plan, Part A,  
315 HUSKY Plan, Part B or the HUSKY Plus programs, each as defined in  
316 section 17b-290, on the first day of each month of the income year for

317 which the credit is taken, divided by twelve.

318 (c) The credit allowed under this section shall not be taken into  
319 account for purposes of the installment payments due under section  
320 12-204c but shall be taken into account in the annual return required  
321 under section 12-205.

322 (d) The amount of credit allowed any taxpayer under this section for  
323 any income year may not exceed the amount of tax due from such  
324 taxpayer under section 12-202a with respect to such income year.

325 Sec. 5. Section 32-305 of the general statutes is repealed and the  
326 following is substituted in lieu thereof:

327 (a) The Commissioner of Revenue Services shall segregate (1) one  
328 and one-half per cent of the gross receipts from sales within the  
329 meaning of subdivision (h) of subsection (2) of section 12-407 by any  
330 hotel or lodging house located in any municipality having a  
331 population of less than sixty-five thousand, (2) three and one-half per  
332 cent of the gross receipts from such sales in any municipality having a  
333 population of sixty-five thousand or more but less than seventy-five  
334 thousand, and (3) four and one-half per cent of the gross receipts from  
335 such sales in any municipality having a population of seventy-five  
336 thousand or more, provided the commissioner shall segregate three  
337 and one-half per cent of the gross receipts from such sales in the  
338 municipality having the most popular tourist attraction in the state, as  
339 determined by the Office of Tourism, if such municipality has a  
340 population of less than sixty-five thousand.

341 (b) (1) Such segregated funds shall be allocated to tourism districts  
342 established under section 32-302 as follows: The portion of the funds  
343 attributable to such tax receipts in a municipality shall be allocated to  
344 the tourism district in which the municipality is located, provided (A)  
345 ninety per cent of the amount attributable to such gross receipts from  
346 sales in Hartford shall be allocated to the Capital City Economic  
347 Development Authority and ten per cent of the amount attributable to

348 such gross receipts from sales in Hartford shall be allocated to the  
349 Greater Hartford Arts Council, (B) seventy-five per cent of the amount  
350 attributable to such gross receipts from sales in New Haven shall be  
351 allocated to the New Haven Coliseum Authority, (C) seventy-five per  
352 cent of the amount attributable to such gross receipts from sales in  
353 Stamford shall be allocated to the Stamford Center for the Arts, (D)  
354 seventy-five per cent of the amount attributable to such gross receipts  
355 from sales in Norwalk shall be allocated to the Maritime Center  
356 Authority, and (E) seventy-five per cent of the amount attributable to  
357 such gross receipts from sales in Bridgeport shall be allocated to the  
358 Greater Fairfield district established in section 32-302, for the sole  
359 purpose of marketing tourist attractions located in Bridgeport.

360 (2) For the fiscal year ending June 30, 2002, and the fiscal year  
361 ending June 30, 2003, the Commissioner of Revenue Services shall  
362 allocate to the tourism districts a total amount which shall be no more  
363 than the total amount allocated for the fiscal year ending June 30, 2001,  
364 provided the amounts allocated pursuant to subparagraphs (A) to (E),  
365 inclusive, of subdivision (1) of this subsection shall continue to be so  
366 allocated in accordance with said subdivision (1) regardless of any  
367 limitations imposed by this subdivision (2).

368 (3) If for any state fiscal year the amount of the allocation under  
369 subparagraph (E) of subdivision (1) of this subsection is less than the  
370 amount of funds allocated during the fiscal year ending June 30, 1991,  
371 to the then existing Bridgeport Convention and Visitors Bureau,  
372 pursuant to sections 7-136b and 7-136c of the general statutes, revised  
373 to January 1, 1991, the Connecticut Tourism Council shall provide a  
374 grant under section 32-300, from the tourism account, in the amount of  
375 such difference, to said Greater Fairfield district for the purpose set  
376 forth in subparagraph (E) of subdivision (1) of this subsection.  
377 [Notwithstanding the provisions of this section, during the fiscal year  
378 ending June 30, 1998, the Commissioner of Revenue Services shall  
379 segregate one hundred fifty thousand dollars from any increase in

380 receipts of such amount segregated under this section during the fiscal  
381 year ending June 30, 1997, and shall allocate such segregated amount  
382 to the Connecticut Film, Video and Media Office established under  
383 section 32-86a, provided the amount segregated and allocated to any  
384 entity under this section is not less than the amount segregated and  
385 allocated during the fiscal year ending June 30, 1997.]

386 (4) For the biennium ending June 30, 2003, any balance of the funds  
387 segregated under this section and not otherwise allocated pursuant to  
388 this subsection shall be transferred to the General Fund.

389 (c) Not later than January 1, 1999, and annually thereafter, each  
390 tourism district and each authority receiving funds under this section  
391 shall submit to the Connecticut Tourism Council a full audit of the  
392 books and accounts of the district or authority for the preceding fiscal  
393 year at the same time that an audit is submitted to the Office of Policy  
394 and Management under subsection (f) of section 32-302. Each such  
395 audit shall be conducted by an independent certified public  
396 accountant. The Commissioner of Revenue Services shall also  
397 segregate an additional one million dollars of the sales tax receipts  
398 from such sales in the state during each state fiscal year and allocate  
399 such funds to the cultural heritage development account established  
400 under section 10-373bb. The Commissioner of Revenue Services may  
401 adopt regulations, in accordance with the provisions of chapter 54,  
402 concerning accounting procedures necessary to carry out the purposes  
403 of this section.

404 ~~[(b)]~~ (d) Except as provided by law, a tourism district, convention  
405 center authority, coliseum authority or the Capital City Economic  
406 Development Authority, as the case may be, may borrow money to  
407 pay its obligations that cannot be paid at maturity out of current  
408 revenue from such allocations, but shall not borrow a sum greater than  
409 can be repaid out of the allocations anticipated during the year in  
410 which the money is borrowed. The tourism district, convention center  
411 authority or coliseum authority, as the case may be, may pledge its

412 securities to secure the repayment of any sum so borrowed.

413       ~~[(c)]~~ (e) Notwithstanding the provisions of subsection (a) of this  
414 section, if ninety days have elapsed since a plan for corrective action  
415 has been filed for a tourism district under subsection (g) of section 4-  
416 233 and the Secretary of the Office of Policy and Management, in  
417 consultation with the Connecticut Tourism Council, finds that the plan  
418 has not been implemented, the secretary shall notify the Commissioner  
419 of Revenue Services who shall then segregate ten per cent of the  
420 district's monthly disbursement of funds under subsection (a) of this  
421 section and deposit such amount into a separate account each month  
422 until the secretary finds that such plan is being implemented at which  
423 time ~~[he]~~ the secretary shall inform said commissioner who shall then  
424 disburse any funds accrued in the account to the district.

425       ~~[(d)]~~ (f) Notwithstanding the provisions of this section, (1) the funds  
426 segregated by the Commissioner of Revenue Services under subsection  
427 ~~[(a)]~~ (b) of this section that are attributable to a hotel opened [, or to  
428 new rooms added to an existing hotel,] in the city of Hartford on or  
429 after May 2, 2000, shall be allocated (A) ten per cent to the Greater  
430 Hartford Arts Council, and (B) ninety per cent to the Capital City  
431 Economic Development Authority to be used by the authority, among  
432 other purposes, for start-up and operating expenses of, and a  
433 replacement reserve for, the convention center, as defined in section  
434 32-600, and (2) commencing July 1, 2003, and continuing until such  
435 time as the Capital City Economic Development Authority shall certify  
436 to the Commissioner of Revenue Services that such an additional  
437 source of revenue is no longer needed by the authority to meet current  
438 or projected operating deficiencies of the convention center, fifty per  
439 cent of the excess of (A) the funds segregated by the Commissioner of  
440 Revenue Services each month under subsection (a) of this section that  
441 are attributable to gross receipts from sales in the Greater Hartford  
442 district established in section 32-302, exclusive of such amounts  
443 otherwise allocated to the capital city economic development district  
444 pursuant to this section, over (B) the average monthly amount

445 segregated and allocated to the Greater Hartford district under  
446 subsection (a) of this section, exclusive of such amounts allocated to  
447 the Capital City Economic Development Authority, during the fiscal  
448 year ending June 30, 2000, shall be allocated to the Capital City  
449 Economic Development Authority and used by the authority  
450 exclusively to pay, or to fund an operating expense reserve account to  
451 provide for the future payment of, start-up and operating expenses of  
452 the convention center. In the event that at any time the Capital City  
453 Economic Development Authority determines that amounts deposited  
454 and then held in such operating expense reserve account pursuant to  
455 this section are no longer needed to meet current or projected  
456 operating deficiencies of the convention center, the authority shall  
457 return such amounts to the Greater Hartford district for use in  
458 accordance with its purposes.

459 (g) For the fiscal year ending June 30, 2002, and each fiscal year  
460 thereafter, the Commissioner of Revenue Services shall segregate from  
461 the gross receipts from sales within the meaning of subdivision (h) of  
462 subsection (2) of section 12-407 by any hotel or lodging house an  
463 amount sufficient to make the following allocations and shall allocate  
464 such segregated funds as follows: (1) For the fiscal year ending June 30,  
465 2002, and each fiscal year thereafter, to the Connecticut Historical  
466 Commission for the purposes described in subsection (b) of section 10-  
467 320e, forty thousand dollars; (2) for the fiscal year ending June 30,  
468 2002, and each fiscal year thereafter, to the Department of Economic  
469 and Community Development for the purposes described in  
470 subsection (b) of section 10-320e, fifty thousand dollars; (3) for the  
471 fiscal year ending June 30, 2002, and each fiscal year thereafter, to the  
472 State Commission on the Arts to promote and publicize the  
473 Impressionists Arts Trail, fifty thousand dollars; (4) for the fiscal year  
474 ending June 30, 2002, and each fiscal year thereafter, to the Connecticut  
475 Historical Commission for the Historical Resource Inventory, thirty  
476 thousand dollars; (5) for the fiscal year ending June 30, 2002, and each  
477 fiscal year thereafter, to the central tourism account, established  
478 pursuant to section 32-303, five hundred thousand dollars; (6) to the

479 Connecticut Film, Video and Media Office established under section  
480 32-86a, for the fiscal year ending June 30, 2002, four hundred thousand  
481 dollars and the fiscal year ending June 30, 2003, and each fiscal year  
482 thereafter, four hundred twelve thousand dollars; (7) to the  
483 Department of Transportation for ferries operated by the state  
484 pursuant to section 13a-252, for the fiscal year ending June 30, 2002, six  
485 hundred fifty-eight thousand eight hundred ninety-eight dollars and  
486 the fiscal year ending June 30, 2003, and each fiscal year thereafter, six  
487 hundred eighty-eight thousand two hundred two dollars.

488       Sec. 6. Subsection (i) of section 32-656 of the general statutes is  
489 repealed and the following is substituted in lieu thereof:

490       (i) The secretary and the authority shall jointly select and appoint an  
491 independent construction contract compliance officer or agent, which  
492 may be an officer or agency of a political subdivision of the state, other  
493 than the authority, or a private consultant experienced in similar  
494 public contract compliance matters, to monitor compliance by the  
495 secretary, the authority, the project manager and each prime  
496 construction contractor with the provisions of applicable state law,  
497 including subdivision (1) of section 12-412, subsection (a) of section 12-  
498 498, sections 12-541 and 13a-25, subdivision (1) of section 22a-134,  
499 subsection [(d)] (f) of section 32-305, section 32-600, subsection (c) of  
500 section 32-602, subsection (e) of section 32-605, section 32-610,  
501 subsections (a) and (b) of section 32-614, sections 32-617, 32-617a, 32-  
502 650, 32-651 to 32-658, inclusive, 32-660 and 32-661, subsection (b) of  
503 section 32-662, section 32-663, subsections (j) to (l), inclusive, of section  
504 32-664, sections 32-665 to 32-666a, inclusive, sections 32-668 and 48-21  
505 and sections 29 and 30 of public act 00-140\*, and with applicable  
506 requirements of contracts with the secretary or the authority, relating  
507 to set-asides for small contractors and minority business enterprises  
508 and required efforts to hire available and qualified members of  
509 minorities and available and qualified residents of the city of Hartford  
510 and the town of East Hartford for construction jobs with respect to the  
511 overall project and the on-site related private development. Such



512 independent contract compliance officer or agent shall file a written  
513 report of his or her findings and recommendations with the secretary  
514 and the authority each quarter during the period of project  
515 development.

516 Sec. 7. Section 2-35 of the general statutes is repealed and the  
517 following is substituted in lieu thereof:

518 All bills carrying or requiring appropriations and favorably  
519 reported by any other committee, except for payment of claims against  
520 the state, shall, before passage, be referred to the joint standing  
521 committee of the General Assembly having cognizance of matters  
522 relating to appropriations and the budgets of state agencies, unless  
523 such reference is dispensed with by a vote of at least two-thirds of each  
524 house of the General Assembly. Resolutions paying the contingent  
525 expenses of the Senate and House of Representatives shall be referred  
526 to said committee. Said committee may originate and report any bill  
527 which it deems necessary and shall, in each odd-numbered year,  
528 report such appropriation bills as it deems necessary for carrying on  
529 the departments of the state government and for providing for such  
530 institutions or persons as are proper subjects for state aid under the  
531 provisions of the statutes, for the ensuing biennium. In each even-  
532 numbered year, the committee shall originate and report at least one  
533 bill which adjusts expenditures for the ensuing fiscal year in such  
534 manner as it deems appropriate. Each appropriation bill shall specify  
535 the particular purpose for which appropriation is made and shall be  
536 itemized as far as practicable. The state budget act may contain any  
537 legislation necessary to implement its appropriations provisions,  
538 provided no other general legislation shall be made a part of such act.  
539 The state budget act passed by the legislature for funding the expenses  
540 of operations of the state government in the ensuing biennium shall  
541 contain a statement of estimated revenue, itemized by major source,  
542 for each appropriated fund. The statement of estimated revenue  
543 applicable to each such fund shall include, for any fiscal year, an  
544 estimate of total revenue with respect to such fund, which amount

545 shall be reduced by (1) an estimate of total refunds of taxes to be paid  
546 from such revenue in accordance with the authorization in section 12-  
547 39f, and (2) an estimate of total refunds of payments to be paid from  
548 such revenue in accordance with the provisions of section 4-37, as  
549 amended by this act. Such statement of estimated revenue, including  
550 the estimated refunds of taxes to be offset against such revenue, shall  
551 be supplied by the joint standing committee of the General Assembly  
552 having cognizance of matters relating to state finance, revenue and  
553 bonding. The total estimated revenue for each fund, as adjusted in  
554 accordance with this section, shall not be less than the total net  
555 appropriations made from each fund. On or before July first of each  
556 fiscal year said committee shall, if any revisions in such estimates are  
557 required by virtue of legislative amendments to the revenue measures  
558 proposed by said committee, changes in conditions or receipt of new  
559 information since the original estimate was supplied, meet and revise  
560 such estimates and, through its cochairpersons, report to the  
561 Comptroller any such revisions.

562 Sec. 8. Section 4-37 of the general statutes is repealed and the  
563 following is substituted in lieu thereof:

564 The Comptroller, upon application of any state department or  
565 commission, may draw an order upon the Treasurer in favor of any  
566 person equitably entitled to the refund of any money paid to the state,  
567 for the amount of such refund. [Any such payments from the General  
568 Fund shall be made from funds appropriated to the Comptroller for  
569 this purpose.] The State Treasurer shall pay the amount of such refund  
570 from the fund to which such payment is credited.

571 Sec. 9. Section 14-23 of the general statutes is repealed and the  
572 following is substituted in lieu thereof:

573 The commissioner may make application to the Comptroller for a  
574 refund when any person surrenders his or her registration or number  
575 plate or plates on any noncommercial motor vehicle and is inducted  
576 into the armed forces, as defined by section 27-103, during the then

577 current registration period, such refund to be figured on a quarterly  
578 prorated basis but not to exceed three-quarters of the registration fee.  
579 The Comptroller, upon application of the commissioner and with the  
580 approval of the Attorney General, shall draw [his] an order on the  
581 Treasurer in favor of any person who has been inducted into the  
582 armed forces for a refund of money paid for the registration of a motor  
583 vehicle. [, and the amount thereof shall be charged by the Treasurer  
584 against any funds in his hands to the credit of the Department of  
585 Transportation.]

586 Sec. 10. Section 14-31 of the general statutes is repealed and the  
587 following is substituted in lieu thereof:

588 Any person may surrender to the commissioner the registration  
589 certificate and the number plates for any motor vehicle with a  
590 commercial registration in the name of such person, if such motor  
591 vehicle, prior to the expiration of the term of its registration, has  
592 become unfit for use, accompanied by a statement under oath attesting  
593 to the unfitness of such vehicle, and the commissioner shall thereupon  
594 make application to the Comptroller for the refund to such registrant  
595 of such portion of the registration fee for such motor vehicle as is  
596 applicable to the number of months between the date of such  
597 surrender and the date of the expiration of such registration. The  
598 Comptroller, upon such application, shall draw [his] an order on the  
599 Treasurer in favor of such registrant for the amount of the refund  
600 provided for herein. [and such amount shall be charged by the  
601 Treasurer against any funds appropriated to the commissioner for  
602 refunds of income.] The commissioner shall retain [in his files] a record  
603 of each such application for a refund and of the action of the  
604 Comptroller thereon, and shall not reregister such motor vehicle.

605 Sec. 11. Section 12-217ee of the general statutes is repealed and the  
606 following is substituted in lieu thereof:

607 (a) Any taxpayer that (1) is a qualified small business, (2) qualifies  
608 for a credit under section 12-217j or section 12-217n, and (3) cannot

609 take such credit in the taxable year in which the credit could otherwise  
610 be taken as a result of having no tax liability under this chapter may  
611 elect to carry such credit forward under this chapter or may apply to  
612 the commissioner as provided in subsection (b) of this section to  
613 exchange such credit with the state for a [cash payment] credit refund  
614 equal to sixty-five per cent of the value of the credit. Any amount of  
615 credit refunded under this section shall be refunded to the taxpayer  
616 under the provisions of this chapter, except that such credit refund  
617 shall not be subject to the provisions of section 12-227.

618 (b) An application for [such payment] refund of such credit amount  
619 shall be made to the Commissioner of Revenue Services, at the same  
620 time such taxpayer files a final return for the income year, on such  
621 forms and containing such information as prescribed by said  
622 commissioner. If the commissioner determines that the taxpayer  
623 qualifies for a [payment] credit refund under this section, the  
624 commissioner shall notify, no later than one hundred twenty days  
625 from receipt of the application for such [payment] credit refund, the  
626 State Comptroller of the [names] name of the eligible taxpayer, and the  
627 State Comptroller shall draw an order on the State Treasurer in the  
628 amount thereof for payment to such taxpayer.

629 (c) The Commissioner of Revenue Services may disallow the  
630 [exchange] credit refund of any credit otherwise allowable for a taxable  
631 year under this section if the company claiming the exchange has any  
632 amount of taxes due and unpaid to the state including interest,  
633 penalties, fees and other charges related thereto for which a period in  
634 excess of thirty days has elapsed following the date on which such  
635 taxes were due and which are not the subject of a timely filed  
636 administrative appeal to the commissioner or of a timely filed appeal  
637 pending before any court of competent jurisdiction. Before any such  
638 disallowance, the commissioner shall send written notice to the  
639 company, stating that it may pay the amount of such delinquent tax or  
640 enter into an agreement with the commissioner for the payment  
641 thereof, by the date set forth in said notice, provided, such date shall

642 not be less than thirty days after the date of such notice. Failure on the  
643 part of the company to pay the amount of the delinquent tax or enter  
644 into an agreement to pay the amount thereof by said date shall result  
645 in a disallowance of the [exchange] credit refund being claimed.

646 (d) For purposes of this section "qualified small business" means a  
647 company that (1) has gross income for the previous income year that  
648 does not exceed seventy million dollars, and (2) has not, in the  
649 determination of the commissioner, met the gross income test through  
650 transactions with a related person, as defined in section 12-217w.

651 Sec. 12. (NEW) For the fiscal year ending June 30, 2002, and each  
652 fiscal year thereafter, revenue received by the Department of  
653 Administrative Services-Financial Services Center/Collections from  
654 Medicaid managed care plans for services performed at Riverview  
655 Hospital shall be deposited in the General Fund and credited to a  
656 nonlapsing account in the Department of Social Services and shall be  
657 available for expenditure by the Department of Social Services for the  
658 payment of Medicaid claims.

659 Sec. 13. (NEW) For the fiscal year ending June 30, 2002, and each  
660 fiscal year thereafter, all federal matching funds received by the  
661 Department of Social Services for special education-related services  
662 rendered in schools pursuant to section 10-76d of the general statutes,  
663 shall be deposited in the General Fund and credited to a nonlapsing  
664 account in the Department of Social Services. Sixty per cent of such  
665 funds shall be expended by the Department of Social Services for  
666 payment of grants to towns pursuant to subdivision (3) of subsection  
667 (a) of section 10-76d of the general statutes, and the remaining funds  
668 shall be available for expenditure by the Department of Social Services  
669 for the payment of Medicaid claims.

670 Sec. 14. Section 22a-451 of the general statutes is repealed and the  
671 following is substituted in lieu thereof:

672 (a) Any person, firm or corporation which directly or indirectly

673 causes pollution and contamination of any land or waters of the state  
674 or directly or indirectly causes an emergency through the maintenance,  
675 discharge, spillage, uncontrolled loss, seepage or filtration of oil or  
676 petroleum or chemical liquids or solid, liquid or gaseous products or  
677 hazardous wastes or which owns any hazardous wastes deemed by  
678 the commissioner to be a potential threat to human health or the  
679 environment and removed by the commissioner shall be liable for all  
680 costs and expenses incurred in investigating, containing, removing,  
681 monitoring or mitigating such pollution and contamination,  
682 emergency or hazardous waste, and legal expenses and court costs  
683 incurred in such recovery, provided, if such pollution or  
684 contamination or emergency was negligently caused, such person, firm  
685 or corporation may, at the discretion of the court, be liable for damages  
686 equal to one and one-half times the cost and expenses incurred and  
687 provided further if such pollution or contamination or emergency was  
688 wilfully caused, such person, firm or corporation may, at the discretion  
689 of the court, be liable for damages equal to two times the cost and  
690 expenses incurred. The costs and expenses of investigating, containing,  
691 removing, monitoring or mitigating such pollution, contamination,  
692 emergency or hazardous waste shall include, but not be limited to, the  
693 administrative cost of such action calculated at ten per cent of the  
694 actual cost plus the interest on the actual cost at a rate of ten per cent  
695 per year thirty days from the date such costs and expenses were  
696 sought from the party responsible for such pollution, contamination or  
697 emergency. The costs of recovering any legal expenses and court costs  
698 shall be calculated at five per cent of the actual costs, plus interest at a  
699 rate of ten per cent per year thirty days from the date such costs were  
700 sought from the party responsible for such pollution, contamination or  
701 emergency. Upon request of the commissioner, the Attorney General  
702 shall bring a civil action to recover all such costs and expenses.

703 (b) If the person, firm or corporation which causes any discharge,  
704 spillage, uncontrolled loss, seepage or filtration does not act  
705 immediately to contain and remove or mitigate the effects of such  
706 discharge, spillage, loss, seepage or filtration to the satisfaction of the

707 commissioner, or if such person, firm or corporation is unknown, and  
708 such discharge, spillage, loss, seepage or filtration is not being  
709 contained, removed or mitigated by the federal government, a state  
710 agency, a municipality or a regional or interstate authority, the  
711 commissioner may contract with any person issued a permit pursuant  
712 to section 22a-454 to contain and remove or mitigate the effects of such  
713 discharge, spillage, loss, seepage or filtration. The commissioner may  
714 contract with any person issued a permit pursuant to said section 22a-  
715 454 to remove any hazardous waste that [he] the commissioner deems  
716 to be a potential threat to human health or the environment.

717 (c) Whenever the commissioner incurs contractual obligations  
718 pursuant to subsection (b) of this section and the responsible person,  
719 firm or corporation or the federal government does not assume such  
720 contractual obligations, the commissioner shall request the Attorney  
721 General to bring a civil action pursuant to subsection (a) of this section  
722 to recover the costs and expenses of such contractual obligations. If the  
723 responsible person, firm or corporation is unknown, the commissioner  
724 shall request the federal government to assume such contractual  
725 obligations to the extent provided for by the federal Water Pollution  
726 Control Act.

727 (d) There is established an account to be known as the emergency  
728 spill response account, for the purpose of providing money for (1)  
729 costs associated with the implementation of section 22a-449 and  
730 chapter 441; (2) the containment and removal or mitigation of the  
731 discharge, spillage, uncontrolled loss, seepage or filtration of oil or  
732 petroleum or chemical liquids or solid, liquid or gaseous products or  
733 hazardous wastes including the state share of payments of the costs of  
734 remedial action pursuant to the federal Comprehensive Environmental  
735 Response, Compensation, and Liability Act of 1980 (42 USC 9601 et  
736 seq.), as amended; (3) provision of potable drinking water pursuant to  
737 section 22a-471; (4) completion of the inventory required by section  
738 22a-8a; (5) the removal of hazardous wastes that the commissioner  
739 deems to be a potential threat to human health or the environment; (6)

740 (A) the provision of short-term potable drinking water pursuant to  
741 subdivision (1) of subsection (a) of section 22a-471 and the preparation  
742 of an engineering report pursuant to subdivision (2) of subsection (a)  
743 of said section when pollution of the groundwaters by pesticides has  
744 occurred or can reasonably be expected to occur; (B) the study required  
745 by special act 86-44\* and (C) as funds allow, education of the public on  
746 the proper use and disposal of pesticides and the prevention of  
747 pesticide contamination in drinking water supplies; (7) loans and lines  
748 of credit made in accordance with the provisions of section 32-23z; (8)  
749 the accomplishment of the purposes of sections 22a-133b to 22a-133g,  
750 inclusive, and sections 22a-134 to 22a-134d, inclusive, including  
751 staffing, and section 22a-133k; (9) development and implementation by  
752 the commissioner of a state-wide aquifer protection program pursuant  
753 to the provisions of sections 19a-37, 22-6c, 22a-354c, 22a-354e, 22a-354g  
754 to 22a-354bb, inclusive, 25-32d, 25-33h, 25-33n and subsection (a) of  
755 section 25-84, including, but not limited to, development of state  
756 regulations for land uses in aquifer protection areas, technical  
757 assistance and educational programs; (10) research on toxic substance  
758 contamination, including research by the Environmental Research  
759 Institute and the Institute of Water Resources at The University of  
760 Connecticut and by the Connecticut Agricultural Experiment Station;  
761 (11) the costs of the commissioner in performing or approving level A  
762 mapping of aquifer protection areas pursuant to this title; and (12)  
763 inventory and evaluation of the farm resource management  
764 requirements of farms in aquifer areas by the eight county soil and  
765 water conservation districts. [The emergency spill response account  
766 shall be an account of the General Fund. On July 1, 1995, any balance  
767 remaining in said account shall be transferred to the resources of the  
768 General Fund, except that beginning July 1, 1996, any amount  
769 appropriated for emergency spill response up to one million dollars  
770 shall not lapse on June thirtieth of the ending fiscal year, but shall  
771 continue to be available for expenditure for such purpose in the next  
772 succeeding fiscal year.] The emergency spill response account shall be  
773 an account of the Environmental Quality Fund. On the effective date of



774 this act, any balance remaining in said account shall be transferred to  
775 the resources of the Environmental Quality Fund. No expenditures  
776 shall be made from the amount transferred until on or after July 1,  
777 2001.

778 (e) The Commissioner of Environmental Protection shall, annually,  
779 in accordance with section 4-77, submit to the Secretary of the Office of  
780 Policy and Management an operating budget for the emergency spill  
781 response account that provides for the operation of programs funded  
782 from such account. Such annual operating budget shall include an  
783 estimate of revenues from all other sources to meet the estimated  
784 expenditures of the account for such fiscal year. Within thirty days  
785 prior to the first day of such fiscal year the Secretary of the Office of  
786 Policy and Management shall approve said operating budget, with  
787 such changes, amendments, additions and deletions as shall be agreed  
788 upon prior to that date by the Commissioner of Environmental  
789 Protection and the Secretary of the Office of Policy and Management.

790 Sec. 15. Section 4-29b of the general statutes is repealed and the  
791 following is substituted in lieu thereof:

792 Any state agency which receives indirect cost recoveries from  
793 federal grant funds or other sources, when such recoveries apply to  
794 costs originally paid from the General Fund, shall deposit such cost  
795 recoveries with the Treasurer, to the credit of General Fund revenues,  
796 unless such deposit is waived by the Secretary of the Office of Policy  
797 and Management. This section does not apply to any applicable  
798 overhead charges on assessments recovered by the state pursuant to  
799 sections 12-586g and 12-586f. For purposes of this section "state  
800 agency" [shall] does not include any constituent unit of the state  
801 system of higher education or any state institution of higher education.

802 Sec. 16. Notwithstanding the provisions of section 13b-61 of the  
803 general statutes, for the fiscal year commencing July 1, 2002, and  
804 ending June 30, 2003, the Commissioner of Revenue Services shall  
805 deposit into the Conservation Fund established under section 22a-27h

806 of the general statutes one million dollars of the amount of the funds  
807 received by the state from the tax imposed under chapter 227 of the  
808 general statutes. The funds deposited pursuant to this section shall be  
809 allocated to the fisheries account for recreational fishing purposes and  
810 shall be in addition to those funds deposited pursuant to section 12-  
811 460a of the general statutes.

812       Sec. 17. Subparagraph (a) of subdivision (60) of section 12-81 of the  
813 general statutes is repealed and the following is substituted in lieu  
814 thereof:

815       (60) (a) (1) Machinery and equipment which represents an addition  
816 to the assessment or grand list of the municipality in which this  
817 exemption is claimed and is installed in any manufacturing facility, as  
818 defined in section 32-9p, which facility is or has been constructed, or  
819 substantially renovated or expanded on or after July 1, 1978, in a  
820 distressed municipality or targeted investment community or  
821 enterprise zone designated pursuant to section 32-70 and for which an  
822 eligibility certificate has been issued by the Department of Economic  
823 and Community Development, concurrently with and directly  
824 attributable to such construction, renovation or expansion, (2)  
825 machinery and equipment which represents an addition to the  
826 assessment or grand list of the municipality in which this exemption is  
827 claimed and is installed, or machinery and equipment existing, in any  
828 manufacturing facility, as defined in section 32-9p, which facility is or  
829 has been acquired on or after July 1, 1978, in a distressed municipality,  
830 targeted investment community or enterprise zone designated  
831 pursuant to section 32-70 and for which an eligibility certificate has  
832 been issued by the Department of Economic and Community  
833 Development, and (3) machinery and equipment acquired and  
834 installed on or after October 1, 1986, in a manufacturing facility that is  
835 or has at one time been certified as eligible for the exemption under  
836 this subparagraph in accordance with section 32-9r, and which  
837 continues to be used for manufacturing purposes, provided such  
838 machinery and equipment is installed in conjunction with an

839 expansion program that satisfies the requirements for a manufacturing  
840 facility, as defined in section 32-9p, and is contiguous to and represents  
841 an increase in square feet of floor space of not less than fifty per cent of  
842 the floor space in the certified manufacturing facility, as follows: To the  
843 extent of eighty per cent of its valuation for purposes of assessment in  
844 each of the five full assessment years for which the manufacturing  
845 facility in which it is installed qualifies for an exemption under  
846 subdivision (59) of this section, except that a facility having a code  
847 classification 2833 or 2834 in the Standard Industrial Code  
848 Classification Manual, United States Office of Management and  
849 Budget, 1987 edition, wherein at least one thousand new full-time  
850 employees, as defined in subsection (f) of section 32-9j, are employed,  
851 shall be eligible to have the assessment period under this subdivision  
852 extended for five additional years upon approval of the commissioner,  
853 provided the commissioner approves an extension of the assessment  
854 period under subdivision (59) of this section for said facility.

855       Sec. 18. Section 12-412 of the general statutes is amended by adding  
856 subdivision (113) as follows:

857       (NEW) (113) (A) Sales to, and the storage, use or other consumption  
858 by, a fuel cell manufacturing facility in this state of materials, tools,  
859 fuel, machinery and equipment used in such facility.

860       (B) For purposes of this subdivision, (i) "fuel cell" means a device  
861 that directly or indirectly produces electricity directly from hydrogen  
862 or hydrocarbon fuel through a noncombustive electro-chemical  
863 process, (ii) "machinery and equipment" means tangible personal  
864 property which is installed in a fuel cell manufacturing facility  
865 operated by a fuel cell manufacturer, and the predominant use of  
866 which is for the manufacturing of fuel cells, and (iii) "fuel cell  
867 manufacturing facility" means that portion of a plant, building or other  
868 real property improvement used for the manufacturing of fuel cell  
869 parts or components or for the significant overhauling or rebuilding of  
870 such parts or components on a factory basis.

871       Sec. 19. Section 12-413b of the general statutes, as amended by  
872       section 70 of this act, is repealed and the following is substituted in lieu  
873       thereof:

874       (a) The Commissioner of Higher Education may select a direct  
875       payment permit holder, as described in section 12-409a, for a pilot  
876       program in accordance with the provisions of this section.

877       (b) There shall be allowed a credit to such direct payment permit  
878       holder in an amount equal to the amount of a qualified investment, as  
879       defined in subsection (c) of this section, that is made on or after July 1,  
880       2000, against the use tax liability that is incurred under this chapter by  
881       such holder in making purchases on or after July 1, 2000, of computer  
882       equipment to be used in this state in electronic commerce. The total  
883       amount of such credits allowed under this section shall not exceed  
884       [two] four million dollars in the aggregate. No credit shall be allowed  
885       under this section unless the Commissioner of Higher Education  
886       certifies, in a manner satisfactory to the Commissioner of Revenue  
887       Services, that a qualified investment has been made by the direct  
888       payment permit holder and that projects related to such investment  
889       have been completed. The Commissioner of Revenue Services may  
890       adopt regulations, in accordance with the provisions of chapter 54,  
891       which prescribe the procedures for the direct payment permit holder  
892       to claim the credit allowed under this section.

893       (c) For purposes of this section, "qualified investment" means  
894       resources, including, but not limited to, cash, property or services  
895       provided by a direct payment permit holder to a public or private  
896       college or university in this state, for the design, planning, construction  
897       or renovation of buildings or classrooms, the acquisition of computer  
898       equipment or the acquisition of other property or licenses necessary  
899       for operation of computer programs which will be used in the  
900       instruction of students in business studies related to electronic  
901       commerce or in work force development programs.

902       Sec. 20. Subdivision (2) of subsection (b) of section 12-587 of the

903 general statutes is repealed and the following is substituted in lieu  
904 thereof:

905 (2) Gross earnings derived from the first sale of the following  
906 petroleum products within this state shall be exempt from tax: (A) Any  
907 petroleum products sold for exportation from this state for sale or use  
908 outside this state; (B) the product designated by the American Society  
909 for Testing and Materials as "Specification for Heating Oil D396-69",  
910 commonly known as number 2 heating oil, to be used exclusively for  
911 heating purposes or to be used in a commercial fishing vessel, which  
912 vessel qualifies for an exemption pursuant to section 12-412; (C)  
913 kerosene, commonly known as number 1 oil, to be used exclusively for  
914 heating purposes, provided delivery is of both number 1 and number 2  
915 oil, and via a truck with a metered delivery ticket to a residential  
916 dwelling or to a centrally metered system serving a group of  
917 residential dwellings; (D) the product identified as propane gas, to be  
918 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
919 fuel, marine diesel oil and marine gas oil to be used in any vessel  
920 having a displacement exceeding four thousand dead weight tons; (F)  
921 for any first sale occurring prior to January 1, 2000, or during the  
922 period commencing July 1, 2001, and ending June 30, 2002, propane  
923 gas to be used as a fuel for a motor vehicle; (G) for any first sale  
924 occurring on or after July 1, 2002, grade number 6 fuel oil, as defined in  
925 regulations adopted pursuant to section 16a-22c, to be used exclusively  
926 by a company which, in accordance with census data contained in the  
927 Standard Industrial Classification Manual, United States Office of  
928 Management and Budget, 1987 edition, is included in code  
929 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the  
930 North American Industrial Classification System United States  
931 Manual, United States Office of Management and Budget, 1997 edition;  
932 or (H) for any first sale occurring on or after July 1, 2002, number 2  
933 heating oil to be used exclusively in a vessel primarily engaged in  
934 interstate commerce, which vessel qualifies for an exemption under  
935 section 12-412.

936 Sec. 21. Subsection (a) of section 12-264 of the general statutes is  
937 repealed and the following is substituted in lieu thereof:

938 (a) Each (1) Connecticut municipality or department or agency  
939 thereof, or Connecticut district, manufacturing, selling or distributing  
940 gas or electricity to be used for light, heat or power, in this chapter and  
941 in chapter 212a called a "municipal utility", (2) company the principal  
942 business of which is manufacturing, selling or distributing gas or  
943 steam to be used for light, heat or power, including each foreign  
944 municipal electric utility, as defined in section 12-59 and given  
945 authority to engage in business in this state pursuant to the provisions  
946 of section 16-246c, and (3) company required to register pursuant to  
947 section 16-258a shall pay a quarterly tax upon gross earnings from  
948 such operations in this state. Gross earnings from such operations  
949 under subdivisions (1) and (2) of this subsection shall include (A) all  
950 income classified as operating revenues by the Department of Public  
951 Utility Control in the uniform systems of accounts prescribed by said  
952 department for operations within the taxable quarter and, with respect  
953 to each such company, (B) all income classified in said uniform  
954 systems of accounts as income from merchandising, jobbing and  
955 contract work, (C) income from nonutility operations, (D) revenues  
956 from lease of physical property not devoted to utility operation, and  
957 (E) receipts from the sale of residuals and other by-products obtained  
958 in connection with the production of gas, electricity or steam. Gross  
959 earnings from such operations under subdivision (3) of this subsection  
960 shall be gross income from the sales of natural gas. Gross earnings of a  
961 gas company, as defined in section 16-1, shall not include income  
962 earned in a taxable [year] quarter commencing prior to [January 1,  
963 2002] June 30, 2002, from the sale of natural gas or propane as a fuel for  
964 a motor vehicle. No deductions shall be allowed from such gross  
965 earnings for any commission, rebate or other payment, except a refund  
966 resulting from an error or overcharge and those specifically mentioned  
967 in section 12-265. Gross earnings of a company as described in  
968 subdivision (2) of this subsection shall not include income earned in  
969 any taxable quarter commencing on or after July 1, 2000, from the sale

970 of steam.

971 Sec. 22. Subdivisions (67) to (69), inclusive, of section 12-412 of the  
972 general statutes are repealed and the following is substituted in lieu  
973 thereof:

974 (67) Sales of and the storage, use or other consumption, prior to  
975 [January 1, 2002] July 1, 2002, of a new motor vehicle which is  
976 exclusively powered by a clean alternative fuel. As used in this  
977 subsection and subsections (68) and (69), "clean alternative fuel" shall  
978 mean natural gas or electricity when used as a motor vehicle fuel or  
979 propane when used as a motor vehicle fuel if such a vehicle meets the  
980 federal fleet emissions standards under the federal Clean Air Act or  
981 any emissions standards adopted by the Commissioner of  
982 Environmental Protection as part of the state's implementation plan  
983 under said act.

984 (68) Sales of and the storage, use or other consumption, prior to  
985 [January 1, 2002] July 1, 2002, of conversion equipment incorporated  
986 into or used in converting vehicles powered by any other fuel to either  
987 exclusive use of a clean alternative fuel or dual use of any other fuel  
988 and a clean alternative fuel, including, but not limited to, storage  
989 cylinders, cylinder brackets, regulated mixers, fill valves, pressure  
990 regulators, solenoid valves, fuel gauges, electronic ignitions and  
991 alternative fuel delivery lines.

992 (69) Sales of and the storage, use or other consumption, prior to  
993 [January 1, 2002] July 1, 2002, of equipment incorporated into or used  
994 in a compressed natural gas filling or electric recharging station for  
995 vehicles powered by a clean alternative fuel, including, but not limited  
996 to, compressors, storage cylinders, associated framing, tubing and  
997 fittings, valves, fuel poles and fuel delivery lines used for clean  
998 alternative fuel storage and filling facilities.

999 Sec. 23. Subsection (d) of section 12-15 of the general statutes is  
1000 repealed and the following is substituted in lieu thereof:

1001 (d) (1) The commissioner may, upon request, verify whether or not  
1002 any license, permit or certificate required under the provisions of this  
1003 title to be conspicuously displayed has been issued by [him] the  
1004 commissioner to any particular person.

1005 (2) The commissioner may make public the names and municipality  
1006 of residence or postal district of persons entitled to tax refunds for  
1007 purposes of notifying them when the commissioner, after reasonable  
1008 effort and lapse of time, has been unable to locate such persons.

1009 Sec. 24. Subparagraph (K) of subdivision (6) of subsection (a) of  
1010 section 12-218b of the general statutes is repealed and the following is  
1011 substituted in lieu thereof:

1012 (K) (i) Any person described in subparagraph (J) of this subdivision  
1013 may submit a petition in writing to the commissioner for permission to  
1014 apportion its income without regard to the provisions of this section  
1015 [upon such person proving] not later than sixty days prior to the due  
1016 date of the return to which the petition applies, determined with  
1017 regard to any extension of time for filing such return, and said  
1018 commissioner shall grant or deny such permission before said due  
1019 date. The commissioner shall grant such permission only in the event  
1020 that the petitioner has proved, by clear and convincing evidence, that  
1021 the income-producing activity of [such person] the petitioner is not in  
1022 substantial competition with a financial service company without  
1023 regard to subparagraph (I) of this subdivision.

1024 (ii) Any person may submit a petition in writing to the  
1025 commissioner for permission to apportion its income in accordance  
1026 with the provisions of this section [upon such person proving] not later  
1027 than sixty days prior to the due date of the return to which the petition  
1028 applies, determined with regard to any extension of time for filing  
1029 such return, and said commissioner shall grant or deny such  
1030 permission before said due date. The commissioner shall grant such  
1031 permission only in the event that the petitioner has proved, by clear  
1032 and convincing evidence, that the income-producing activity is



1033 substantially similar to the income-producing activities of a financial  
1034 service company without regard to subparagraph (I) of this  
1035 subdivision.

1036 Sec. 25. Subsections (b) to (e), inclusive, of section 12-222 of the  
1037 general statutes are repealed and the following is substituted in lieu  
1038 thereof:

1039 (b) Such return shall be due on or before the first day of the [fourth]  
1040 month next succeeding the [end of the income year] due date of the  
1041 company's corresponding federal income tax return for the income  
1042 year, determined without regard to any extension of time for filing, or,  
1043 in the case of [an S corporation] any company that is not required to  
1044 file a federal income tax return for the income year, on or before the  
1045 [fifteenth] first day of the fourth month next succeeding the end of the  
1046 income year.

1047 (c) The commissioner may grant a reasonable extension of time for  
1048 filing a [completed] return, if the company files a tentative return and  
1049 application for extension of time in which to file a [completed] return,  
1050 on forms furnished or prescribed by the commissioner, and pays the  
1051 tax reported to be due on such tentative return on or before the [first  
1052 day of the fourth month next succeeding the end of the income year,  
1053 or, in the case of an S corporation, on or before the fifteenth day of the  
1054 fourth month next succeeding the end of the income year] original due  
1055 date of the return, as provided in subsection (b) of this section. Any  
1056 additional tax which may be found to be due on the filing of the return  
1057 as allowed by such extension shall bear interest at the rate of one per  
1058 cent per month or fraction thereof from the original due date of [such  
1059 tax] the return to the date of actual payment. Notwithstanding the  
1060 provisions of section 12-229, if the commissioner grants a reasonable  
1061 extension of time for filing a [completed] return, no penalty shall be  
1062 imposed on account of any failure to pay the amount of tax reported to  
1063 be due on a return within the time specified under the provisions of  
1064 this chapter if the excess of the amount of tax shown on the return over

1065 the amount of tax paid on or before the original due date of such  
1066 return is no greater than ten per cent of the amount of tax shown on  
1067 such return, and any balance due shown on such return is remitted  
1068 with such return on or before the extended due date of such return.

1069 (d) In any case in which the commissioner believes that it would be  
1070 advantageous [to him in] for the computation of the tax as imposed by  
1071 this part, such state return shall be accompanied by a true copy of the  
1072 last income tax return, if any, made to the Internal Revenue Service.

1073 (e) The amount of tax reported to be due on such return or tentative  
1074 return shall be due and payable on or before the [first day of the fourth  
1075 month next succeeding the end of the income year, or, in the case of an  
1076 S corporation, on or before the fifteenth day of the fourth month next  
1077 succeeding the end of the income year] original due date of the return,  
1078 as defined in subsection (b) of this section.

1079 Sec. 26. Subdivision (2) of subsection (c) of section 12-223a of the  
1080 general statutes is repealed and the following is substituted in lieu  
1081 thereof:

1082 (2) If the method of determining the combined measure of such tax  
1083 in accordance with this subsection for two or more affiliated  
1084 companies validly electing to file a combined return under the  
1085 provisions of subsection (a) of this section is deemed by such  
1086 companies to unfairly attribute an undue proportion of their total  
1087 income or minimum tax base to this state, said companies may submit  
1088 a petition in writing to the Commissioner of Revenue Services for  
1089 approval of an alternate method of determining the combined measure  
1090 of their tax not later than sixty days prior to the due date of the  
1091 combined return to which the petition applies, determined with regard  
1092 to any extension of time for filing such return, and said commissioner  
1093 shall grant or deny such approval before said due date. In deciding  
1094 whether or not the companies included in such combined return  
1095 should be granted approval to employ the alternate method proposed  
1096 in such petition, the Commissioner of Revenue Services shall consider

1097 approval only in the event that the petitioners have clearly established  
1098 to the satisfaction of said commissioner that all the companies  
1099 included in such combined return are, in substance, parts of a unitary  
1100 business engaged in a single business enterprise and further that there  
1101 are substantial intercorporate business transactions among such  
1102 included companies.

1103 Sec. 27. Section 12-285 of the general statutes is repealed and the  
1104 following is substituted in lieu thereof:

1105 (a) When used in this chapter, unless the context otherwise requires;  
1106 [ ]

1107 (1) ["person"] "Person" means any individual, firm, fiduciary,  
1108 partnership, corporation, limited liability company, trust or  
1109 association, however formed;

1110 (2) ["distributor"] "Distributor" means [(1)] (A) any person in this  
1111 state engaged in the business of manufacturing cigarettes; [(2)] (B) any  
1112 person, other than a buying pool, as defined herein, who purchases  
1113 cigarettes at wholesale from manufacturers or other distributors for  
1114 sale to licensed dealers, and who maintains an established place of  
1115 business, including a location used exclusively for such business,  
1116 which has facilities in which a substantial stock of cigarettes and  
1117 related merchandise for resale can be kept at all times, and who sells at  
1118 least seventy-five per cent of such cigarettes to retailers who, at no  
1119 time, shall own any interest in the business of the distributor as a  
1120 partner, stockholder or trustee; [(3)] (C) any person operating five or  
1121 more retail stores in this state for the sale of cigarettes who purchases  
1122 cigarettes at wholesale for sale to dealers but sells such cigarettes  
1123 exclusively to retail stores such person is operating; [(4)] (D) any  
1124 person operating and servicing twenty-five or more cigarette vending  
1125 machines in this state who buys such cigarettes at wholesale and sells  
1126 them exclusively in such vending machines. If a person qualified as a  
1127 distributor in accordance with this [subdivision] subparagraph, in  
1128 addition sells cigarettes other than in vending machines, such person

1129 shall be required to be qualified as a distributor in accordance with  
1130 [subdivision (2) of this section] subparagraph (B) of this subdivision  
1131 and have an additional distributor's license for purposes of such other  
1132 sales; [(5)] (E) any person who imports into this state unstamped  
1133 cigarettes, at least seventy-five per cent of which are to be sold to  
1134 others for resale; and [(6)] (F) any person operating storage facilities for  
1135 unstamped cigarettes in this state;

1136 (3) ["cigarette"] "Cigarette vending machine" means a machine used  
1137 for the purpose of automatically merchandising packaged cigarettes  
1138 through the insertion of the proper amount of coins therein by the  
1139 purchaser, but does not mean a restricted cigarette vending machine;

1140 (4) ["restricted"] "Restricted cigarette vending machine" means a  
1141 machine used for the dispensing of packaged cigarettes which  
1142 automatically deactivates after each individual sale, cannot be left  
1143 operable after a sale and requires, prior to each individual sale, a face-  
1144 to-face interaction or display of identification between an employee of  
1145 the area, facility or business where such machine is located and the  
1146 purchaser;

1147 (5) ["dealer"] "Dealer" means any person other than a distributor  
1148 who is engaged in this state in the business of selling cigarettes,  
1149 including any person operating and servicing fewer than twenty-five  
1150 cigarette vending machines; [who shall be classified herein as a  
1151 vending machine dealer;]

1152 (6) ["licensed"] "Licensed dealer" means a dealer licensed under the  
1153 provisions of this chapter;

1154 (7) ["stamp"] "Stamp" means any stamp authorized to be used under  
1155 this chapter by the Commissioner of Revenue Services and includes  
1156 [impressions made by metering machines authorized to be used under  
1157 the provisions of section 12-299] heat-applied decals;

1158 (8) ["sale"] "Sale" or "sell" includes or applies to gifts, exchanges and

1159 barter; and

1160 (9) ["buying"] "Buying pool" means and includes any combination,  
1161 corporation, association, affiliation or group of retail dealers operating  
1162 jointly in the purchase, sale, exchange or barter of cigarettes, the profits  
1163 from which accrue directly or indirectly to such retail dealers,  
1164 provided any person holding a distributor's license issued prior to  
1165 June 29, 1951, shall be deemed to be a distributor within the terms of  
1166 this section.

1167 (b) For the purposes of part I and part II only of this chapter: [.]

1168 (1) ["cigarette"] "Cigarette" means and includes (A) any roll for  
1169 smoking made wholly or in part of tobacco, irrespective of size or  
1170 shape and irrespective of whether the tobacco is flavored, adulterated  
1171 or mixed with any other ingredient, where such roll has a wrapper or  
1172 cover made of paper or any other material, except where such wrapper  
1173 is wholly or in the greater part made of tobacco and such roll weighs  
1174 over three pounds per thousand, provided, if any roll for smoking has  
1175 a wrapper made of homogenized tobacco or natural leaf tobacco, and  
1176 the roll is a cigarette size so that it weighs three pounds or less per  
1177 thousand, such roll is a cigarette and subject to the tax imposed by part  
1178 I and part II of this chapter; and (B) each nine one-hundredths of an  
1179 ounce of roll-your-own tobacco;

1180 (2) ["unstamped"] "Unstamped cigarette" means any package of  
1181 cigarettes to which the proper amount of Connecticut cigarette tax  
1182 stamps [or impressions] have not been affixed; and

1183 (3) "Roll-your-own tobacco" means any tobacco which, because of its  
1184 appearance, type, packaging or labeling, is suitable for use and likely  
1185 to be offered to, or purchased by, consumers as tobacco for making  
1186 cigarettes.

1187 Sec. 28. Section 12-330a of the general statutes is repealed and the  
1188 following is substituted in lieu thereof:

1189 As used in this chapter: (1) "Commissioner" means the  
1190 Commissioner of Revenue Services; (2) "tobacco products" means  
1191 cigars, cheroots, stogies, periques, granulated, plug cut, crimp cut,  
1192 ready rubbed and other smoking tobacco, snuff tobacco products,  
1193 cavendish, plug and twist tobacco, fine cut and other chewing  
1194 tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of  
1195 tobacco and all other kinds and forms of tobacco, prepared in such  
1196 manner as to be suitable for chewing or smoking in a pipe or otherwise  
1197 or for both chewing and smoking, but shall not include any cigarette,  
1198 as defined in section 12-285, as amended by this act, or any roll-your-  
1199 own tobacco, as defined in section 12-285, as amended by this act; (3)  
1200 "distributor" means [(1)] (A) any person in this state engaged in the  
1201 business of manufacturing tobacco products, [(2)] (B) any person who  
1202 purchases tobacco products at wholesale from manufacturers or other  
1203 distributors for sale, or [(3)] (C) any person who imports into this state  
1204 tobacco products, at least seventy-five per cent of which are to be sold;  
1205 (4) "unclassified importer" means any person, other than a distributor,  
1206 who imports, receives or acquires tobacco products from outside this  
1207 state for use or consumption in this state; (5) "sale" or "sell" includes or  
1208 applies to gifts, exchanges and barter; (6) "wholesale sales price"  
1209 means, in the case of a manufacturer of tobacco products, the price set  
1210 for such products or, if no price has been set, the wholesale value of  
1211 such products, and, in the case of a distributor who is not a  
1212 manufacturer of tobacco products, the price at which the distributor  
1213 purchased such products, and, in the case of an unclassified importer  
1214 of tobacco products, the price at which the unclassified importer  
1215 purchased such products; and (7) "snuff tobacco products" means only  
1216 those snuff tobacco products that have imprinted on the packages the  
1217 designation "snuff" or "snuff flour", or the federal tax designation "Tax  
1218 Class M", or both.

1219 Sec. 29. Section 12-330c of the general statutes is repealed and the  
1220 following is substituted in lieu thereof:

1221 (a) (1) A tax is imposed on all tobacco products held in this state by

1222 any person. [, said tax to be] Except as otherwise provided in  
1223 subdivision (2) of this subsection with respect to the rate of tax on  
1224 snuff tobacco products, the tax shall be imposed at the rate of twenty  
1225 per cent of the wholesale sales price of such products.

1226 [(2) A tax is imposed on all snuff tobacco products held in this state  
1227 by any person, said tax to be imposed as follows:]

1228 (2) The tax shall be imposed on snuff tobacco products, on the net  
1229 weight as listed by the manufacturer, as follows: Forty cents per ounce  
1230 of snuff and a proportionate tax at the like rate on all fractional parts of  
1231 an ounce of snuff. [For purposes of this subsection, the tax on snuff  
1232 tobacco products shall be computed on the net weight as listed by the  
1233 manufacturer.]

1234 (b) Said tax shall be imposed on the distributor or the unclassified  
1235 importer at the time the tobacco product [or snuff tobacco product] is  
1236 manufactured, purchased, imported, received or acquired in this state.

1237 (c) Said tax shall not be imposed on any tobacco products [or snuff  
1238 tobacco products] which (1) are exported from the state, or (2) are not  
1239 subject to taxation by this state pursuant to any laws of the United  
1240 States.

1241 Sec. 30. Subdivision (62) of section 12-412 of the general statutes is  
1242 repealed and the following is substituted in lieu thereof:

1243 (62) (A) Sales of any of the services enumerated in subdivisions (2)  
1244 (i), (2) (k) or (2) (l) of section 12-407 that are rendered for a business  
1245 entity affiliated with the business entity rendering such service in such  
1246 manner that (i) either business entity in such transaction owns a  
1247 controlling interest in the other business entity, or (ii) a controlling  
1248 interest in each business entity in such transaction is owned by the  
1249 same person or persons or business entity or business entities.

1250 (B) For purposes of this subdivision, (i) "business entity" means a  
1251 corporation, trust, estate, partnership, limited partnership, limited

1252 liability partnership, limited liability company, single member limited  
1253 liability company, sole proprietorship, [and] nonstock corporation or a  
1254 federally-recognized Indian tribe; (ii) "controlling interest" means, in  
1255 the case of a business entity that is a corporation, ownership of stock  
1256 possessing one hundred per cent of the total combined voting power  
1257 of all classes of stock entitled to vote or one hundred per cent of the  
1258 total value of shares of all classes of stock of such corporation; in the  
1259 case of a business entity that is a trust or estate, ownership of a  
1260 beneficial interest of one hundred per cent in such trust or estate; in the  
1261 case of a business entity that is a partnership, limited partnership or  
1262 limited liability partnership, ownership of one hundred per cent of the  
1263 profits interest or capital interest in such partnership, limited  
1264 partnership or limited liability partnership; in the case of a limited  
1265 liability company with more than one member, ownership of one  
1266 hundred per cent of the profits interest, capital interest or membership  
1267 interests in such limited liability company; in the case of a business  
1268 entity that is a sole proprietorship or single member limited liability  
1269 company, ownership of such sole proprietorship or single member  
1270 limited liability company; in the case of a business entity that is a  
1271 nonstock corporation with voting members, control of one hundred  
1272 per cent of all voting membership interests in such corporation; and in  
1273 the case of a business entity that is a nonstock corporation with no  
1274 voting members, control of one hundred per cent of the board of  
1275 directors of such corporation; (iii) whether a controlling interest in a  
1276 business entity is owned shall be determined in accordance with  
1277 Section 267 of the Internal Revenue Code of 1986, or any subsequent  
1278 corresponding internal revenue code of the United States, as from time  
1279 to time amended, provided where a controlling interest is owned in a  
1280 business entity other than a stock corporation, the term "stock" as used  
1281 in said Section 267 of the Internal Revenue Code means, in the case of a  
1282 partnership, limited partnership, limited liability partnership or  
1283 limited liability company treated as a partnership for federal income  
1284 tax purposes, the profits interest or capital interest in such partnership,  
1285 in the case of a business entity that is a trust or estate, the beneficial



1286 interests in such trust or estate, and in the case of a business entity that  
1287 is a nonstock corporation, the voting membership interests in such  
1288 corporation, or if it has no voting members, the control of the board of  
1289 directors; (iv) a business entity has "control of" the board of directors of  
1290 a nonstock corporation if one hundred per cent of the voting members  
1291 of the board of directors are either representatives of, including ex-  
1292 officio directors, or persons appointed by such business entity, or  
1293 "control of" one hundred per cent of the voting membership interests  
1294 in a nonstock corporation if one hundred per cent of the voting  
1295 membership interests are held by the business entity or by  
1296 representatives of, including ex-officio members, or persons appointed  
1297 by such business entity.

1298       Sec. 31. Subdivision (1) of subsection (c) of section 12-587 of the  
1299 general statutes is repealed and the following is substituted in lieu  
1300 thereof:

1301       (c) (1) Any company which imports or causes to be imported into  
1302 this state petroleum products for sale, use or consumption in this state,  
1303 other than a company subject to and having paid the tax on such  
1304 company's gross earnings from first sales of petroleum products  
1305 within this state, which earnings include gross earnings attributable to  
1306 such imported or caused to be imported petroleum products, in  
1307 accordance with subsection (b) of this section, shall pay a quarterly tax  
1308 on the consideration given or contracted to be given for such  
1309 petroleum product if the consideration given or contracted to be given  
1310 for all such deliveries during the quarterly period for which such tax is  
1311 to be paid exceeds [one hundred] three thousand dollars. Except as  
1312 otherwise provided in subdivision (3) of this subsection, the rate of tax  
1313 shall be five per cent. Fuel in the fuel supply tanks of a motor vehicle,  
1314 which fuel tanks are directly connected to the engine, shall not be  
1315 considered a delivery for the purposes of this subsection.

1316       Sec. 32. Subsection (a) of section 12-632 of the general statutes is  
1317 repealed and the following is substituted in lieu thereof:

1318 (a) (1) [On or before September 1, 1995, and] Except as otherwise  
 1319 provided in subdivision (2) of this subsection, on or before July first of  
 1320 each [succeeding] year, any municipality desiring to obtain benefits  
 1321 under the provisions of this chapter shall, after approval by the  
 1322 legislative body of such municipality, submit to the Commissioner of  
 1323 Revenue Services a list on a form prescribed and made available by the  
 1324 commissioner of programs eligible for investment by business firms  
 1325 under the provisions of this chapter. Such activities shall consist of  
 1326 providing neighborhood assistance; job training or education;  
 1327 community services; crime prevention; energy conservation or  
 1328 construction or rehabilitation of dwelling units for families of low and  
 1329 moderate income in the state; donation of money to an open space  
 1330 acquisition fund of any political subdivision of the state or any  
 1331 nonprofit land conservation organization which fund qualifies under  
 1332 subsection (h) of section 12-631 and is used for the purchase of land,  
 1333 interest in land or permanent conservation restriction on land, which is  
 1334 to be permanently preserved as protected open space; or any of the  
 1335 activities described in section 12-634, 12-635 or 12-635a. Such list shall  
 1336 indicate, for each program specified: The concept of the program, the  
 1337 neighborhood area to be served, why the program is needed, the  
 1338 estimated amount required to be invested in the program, the  
 1339 suggested plan for implementing the program, the agency designated  
 1340 by the municipality to oversee implementation of the program and  
 1341 such other information as the commissioner may prescribe. Each  
 1342 municipality shall hold at least one public hearing on the subject of  
 1343 which programs shall be included on such list prior to the submission  
 1344 of such list to the commissioner.

1345 (2) If any municipality desiring to obtain benefits under the  
 1346 provisions of this chapter submits to the Commissioner of Revenue  
 1347 Services a list on a form prescribed and made available by the  
 1348 commissioner of programs eligible for investment by business firms  
 1349 under the provisions of this chapter after the July first due date, the  
 1350 commissioner shall include the list of programs on the list compiled by  
 1351 the commissioner under subsection (b) of this section if the

1352 municipality submits such list no later than fifteen days following such  
1353 July first due date, provides an explanation for its failure to submit  
1354 such list on or before such July first due date and submits proof that  
1355 both the public hearing required by subdivision (1) of this subsection  
1356 to be held on the programs to be included on such list and the  
1357 approval of such list by the legislative body of such municipality  
1358 required by subdivision (1) of this subsection occurred on or before  
1359 such July first due date.

1360       Sec. 33. Subsection (b) of section 12-688 of the general statutes is  
1361 repealed and the following is substituted in lieu thereof:

1362       (b) (1) If the department grants permission to any person to pay tax  
1363 by electronic funds transfer, such person shall, except as provided in  
1364 subdivision (2) of this subsection, be regarded, for the period for which  
1365 such permission is granted, as a person who is required under section  
1366 12-686 to pay a tax by electronic funds transfer. If such person gives  
1367 notice, by certified mail, to the department, at least sixty days before  
1368 the expiration of such period, that such person no longer chooses to  
1369 pay tax by electronic funds transfer beyond such period, such person  
1370 shall cease to be regarded as a person who is required under section  
1371 12-686 to pay a tax by electronic funds transfer after the expiration of  
1372 such period. If such person does not give such notice, such person  
1373 shall cease to be regarded as a person who is required under section  
1374 12-686 to pay tax by electronic funds transfer sixty days after notice is  
1375 given, by certified mail, to the department that the person no longer  
1376 chooses to pay tax by electronic funds transfer.

1377       (2) If the department grants permission to any person to pay a tax  
1378 by electronic funds transfer, any tax payment made by electronic funds  
1379 transfer by such person shall be treated as a tax payment made in a  
1380 timely manner as long as such transfer is initiated on or before the date  
1381 such tax is due, notwithstanding the fact that the bank account  
1382 designated by the department may not be credited by electronic funds  
1383 transfer for the amount of such payment on or before said due date.

1384 Sec. 34. Subsection (a) of section 12-690 of the general statutes is  
1385 repealed and the following is substituted in lieu thereof:

1386 (a) (1) The Commissioner of Revenue Services may permit the filing,  
1387 by computer transmission or by employing new technology as it is  
1388 developed, of any return, statement or other document that is required  
1389 by law or regulation to be filed with said commissioner.

1390 (2) The Commissioner of Revenue Services may permit the filing, by  
1391 computer transmission or by employing new technology as it is  
1392 developed, by any person of any document that is permitted by law or  
1393 regulation to be filed with said commissioner, as long as such person  
1394 and said commissioner have agreed that said commissioner may send  
1395 any document or notice to such person by computer transmission or  
1396 by employing new technology as it is developed.

1397 Sec. 35. Subdivision (19) of subsection (a) of section 12-701 of the  
1398 general statutes is repealed and the following is substituted in lieu  
1399 thereof:

1400 (19) "Adjusted gross income" means the adjusted gross income of a  
1401 natural person with respect to any taxable year, as determined for  
1402 federal income tax purposes and as properly reported on such person's  
1403 federal income tax return.

1404 Sec. 36. The intent of the amendment made by section 35 of this act  
1405 to subdivision (19) of subsection (a) of section 12-701 of the general  
1406 statutes is to clarify that a natural person's adjusted gross income is not  
1407 further modified in determining such person's Connecticut adjusted  
1408 gross income for purposes of chapter 229 of the general statutes, except  
1409 as expressly provided in subdivision (20) of subsection (a) of said  
1410 section 12-701.

1411 Sec. 37. Subdivisions (1) and (2) of subsection (b) of section 12-711 of  
1412 the general statutes are repealed and the following is substituted in  
1413 lieu thereof:

1414 (b) (1) Items of income, gain, loss and deduction derived from or  
1415 connected with sources within this state shall be those items  
1416 attributable to: (A) The ownership or disposition of any interest in real  
1417 or tangible personal property in this state; [or] (B) a business, trade,  
1418 profession or occupation carried on in this state; [or] (C) in the case of a  
1419 shareholder of an S corporation, the ownership of shares issued by  
1420 such corporation, to the extent determined under section 12-712; or (D)  
1421 winnings from a wager placed in a lottery conducted by the  
1422 Connecticut Lottery Corporation, if the proceeds from such wager  
1423 exceed five thousand dollars.

1424 (2) Income from intangible personal property, including annuities,  
1425 dividends, interest and gains from the disposition of intangible  
1426 personal property, shall constitute income derived from sources within  
1427 this state only to the extent that such income is from property  
1428 employed in a business, trade, profession or occupation carried on in  
1429 this state or winnings from a wager placed in a lottery conducted by  
1430 the Connecticut Lottery Corporation, if the proceeds from such wager  
1431 exceed five thousand dollars.

1432 Sec. 38. Subsection (b) of section 22a-132a of the general statutes is  
1433 repealed and the following is substituted in lieu thereof:

1434 (b) Before December thirty-first of each year, the council shall  
1435 review the anticipated amount of such expenses for the next fiscal  
1436 year, excluding expenses under subsection (c) of this section, at a  
1437 public meeting at which interested persons shall be heard. After an  
1438 opportunity for public comment at such public meeting, the council  
1439 shall determine the anticipated amount of such expenses and submit  
1440 its determination to the joint standing committee of the General  
1441 Assembly having cognizance of appropriations and the budgets of  
1442 state agencies for its review. The amount of such expenses shall not  
1443 exceed sixty thousand dollars. The [Commissioner of Revenue  
1444 Services] council shall apportion and assess the anticipated amount of  
1445 expenses among [those persons or entities, as defined in subsection (a)

1446 of section 22a-132, in the proportion which the waste generated by  
1447 each such person bears to the aggregate waste generated by all such  
1448 persons. On June 1, 1992, each person subject to assessment pursuant  
1449 to this subsection shall submit a return to the Commissioner of  
1450 Revenue Services, on a form prescribed by the commissioner, together  
1451 with such assessment for the six-month period ending June 30, 1992.  
1452 Thereafter, beginning on July 1, 1992, such returns and assessments  
1453 shall be submitted quarterly] generators of hazardous waste in such  
1454 manner as the council shall deem appropriate. The [commissioner]  
1455 council shall deposit all payments received under this subsection with  
1456 the State Treasurer who shall credit such payments to the Siting  
1457 Council Fund established under section 16-50v. Such payments shall  
1458 be accounted for as expenses recovered from generators of hazardous  
1459 waste.

1460 Sec. 39. Subsection (j) of section 38a-88a of the general statutes is  
1461 repealed and the following is substituted in lieu thereof:

1462 (j) The tax credit allowed by this section shall only be available for  
1463 investments in funds that are not open to additional investments or  
1464 investors beyond the amount subscribed at the formation of the fund.  
1465 No credits shall be allowed under this section for investments in any  
1466 fund created on or after July 1, 2000. No credit shall be allowed under  
1467 this section for investments made in an insurance business through  
1468 such fund after December 31, 2015.

1469 Sec. 40. Subparagraph (A) of subdivision (3) of section 38a-841 of the  
1470 general statutes is repealed and the following is substituted in lieu  
1471 thereof:

1472 (3) (A) Each insurer paying an assessment under sections 38a-836 to  
1473 38a-853, inclusive, may offset one hundred per cent of the amount of  
1474 such assessment against its premium tax liability to this state under  
1475 chapter 207. Such offset shall be taken over a period of the five  
1476 successive tax years following the year of payment of the assessment,  
1477 at the rate of twenty per cent per year of the assessment paid to the

1478 association. [Each insurer which has offset assessments paid to the  
1479 association from its premium tax liability to the state shall pay to the  
1480 state one hundred per cent of any sums which are acquired by refund  
1481 from the association pursuant to subdivision (2) of this section.] Each  
1482 insurer to which has been refunded by the association, pursuant to  
1483 subdivision (2) of this section, all or a portion of an assessment  
1484 previously paid to the association by the insurer shall be required to  
1485 pay to the Department of Revenue Services an amount equal to the  
1486 total amount that has been claimed as an offset against the premiums  
1487 tax liability on the premiums tax return or returns, as the case may be,  
1488 filed by such insurer and that is attributable to such refunded  
1489 assessment, provided the amount required to be paid to said  
1490 department shall not exceed the amount of the refunded assessment. If  
1491 the amount of the refunded assessment exceeds the total amount that  
1492 has been claimed as an offset against the premiums tax liability on the  
1493 premiums tax return or returns filed by such insurer and that is  
1494 attributable to such refunded assessment, such excess may not be  
1495 claimed as an offset against the premiums tax liability on a premiums  
1496 tax return or returns filed by such insurer or, if the offset has been  
1497 transferred to another person pursuant to subparagraph (B) of this  
1498 subdivision, by such other person. For purposes of this subparagraph,  
1499 if the offset has been transferred to another person pursuant to  
1500 subparagraph (B) of this subdivision, the total amount that has been  
1501 claimed as an offset against the premiums tax liability on the  
1502 premiums tax return or returns filed by such insurer includes the total  
1503 amount that has been claimed as an offset against the premiums tax  
1504 liability on the premiums tax return or returns filed by such other  
1505 person. The association shall promptly notify the [commissioner that  
1506 such refunds have been made] Commissioner of Revenue Services of  
1507 the name and address of the insurers to which such refunds have been  
1508 made, the amount of such refunds and the date on which such refunds  
1509 were mailed to such insurer. If the amount that an insurer is required  
1510 to pay to the Department of Revenue Services has not been so paid on  
1511 or before the forty-fifth day after the date of mailing of such refunds,

1512 the insurer shall be liable for interest on such amount at the rate of one  
1513 per cent per month or fraction thereof from such forty-fifth day to the  
1514 date of payment.

1515       Sec. 41. Subparagraph (B) of subdivision (3) of section 38a-841 of the  
1516 general statutes is repealed and the following is substituted in lieu  
1517 thereof:

1518       (B) An insurer, in this subparagraph called "the transferor", may  
1519 transfer any offset provided under subparagraph (A) of this  
1520 subdivision to an affiliate, as defined in section 38a-1, of [that insurer]  
1521 the transferor. Any such transfer of the offset by the transferor and any  
1522 subsequent transfer or transfers of the same offset shall not affect the  
1523 obligation of the transferor to pay to the Department of Revenue  
1524 Services any sums which are acquired by refund from the association  
1525 pursuant to subdivision (2) of this section and which are required to be  
1526 paid to the Department of Revenue Services pursuant to subparagraph  
1527 (A) of this subdivision. Such offset may be taken by any transferee  
1528 only against the transferee's premium tax liability to this state under  
1529 chapter 207. The Commissioner of Revenue Services shall not allow  
1530 such offset to a transferee against its premium tax liability unless the  
1531 transferor, the affiliate to which the offset was originally transferred,  
1532 each subsequent transferor and each subsequent transferee have filed  
1533 such information as may be required on forms provided by said  
1534 commissioner with respect to any such transfer or transfers on or  
1535 before the due date of the premium tax return on which such offset  
1536 would have been taken by the transferor if no transfer had been made  
1537 by the transferor.

1538       Sec. 42. Subdivision (1) of subsection (h) of section 38a-866 of the  
1539 general statutes is repealed and the following is substituted in lieu  
1540 thereof:

1541       (h) (1) Each insurer paying an assessment under sections 38a-858 to  
1542 38a-875, inclusive, may offset one hundred per cent of the amount of  
1543 such assessment against its premium tax liability to this state under



chapter 207. Such offset shall be taken over a period of the five successive tax years following the year of payment of the assessment, at the rate of twenty per cent per year of the assessment paid to the association. [Each insurer which has offset assessments paid to the association against its premium tax liability to the state shall pay to the Department of Revenue Services one hundred per cent of any sums which are acquired by refund from the association pursuant to subsection (f) of this section.] Each insurer to which has been refunded by the association, pursuant to subsection (f) of this section, all or a portion of an assessment previously paid to the association by the insurer shall be required to pay to the Department of Revenue Services an amount equal to the total amount that has been claimed as an offset against the premiums tax liability on the premiums tax return or returns, as the case may be, filed by such insurer and that is attributable to such refunded assessment, provided the amount required to be paid to said department shall not exceed the amount of the refunded assessment. If the amount of the refunded assessment exceeds the total amount that has been claimed as an offset against the premiums tax liability on the premiums tax return or returns filed by such insurer and that is attributable to such refunded assessment, such excess may not be claimed as an offset against the premiums tax liability on a premiums tax return or returns filed by such insurer or, if the offset has been transferred to another person pursuant to subdivision (2) of this subsection, by such other person. For purposes of the subdivision, if the offset has been transferred to another person pursuant to subdivision (2) of this subsection, the total amount that has been claimed as an offset against the premiums tax liability on the premiums tax return or returns filed by such insurer includes the total amount that has been claimed as an offset against the premiums tax liability on the premiums tax return or returns filed by such other person. The association shall promptly notify the [commissioner] Commissioner of Revenue Services of the name and address of the insurers to which such refunds have been made, the amount of such refunds, and the date on which such refunds were mailed to such

1578 insurer. If the amount that an insurer is required to pay to the  
1579 Department of Revenue Services has not been so paid on or before the  
1580 [thirtieth] forty-fifth day after the date of mailing of such refunds, the  
1581 insurer shall be liable for interest on such amount at the rate of one per  
1582 cent per month or fraction thereof from such [thirtieth] forty-fifth day  
1583 to the date of payment.

1584 Sec. 43. Subdivision (2) of subsection (h) of section 38a-866 of the  
1585 general statutes is repealed and the following is substituted in lieu  
1586 thereof:

1587 (2) An insurer, in this subdivision called "the transferor", may  
1588 transfer any offset provided under subdivision (1) of this subsection to  
1589 an affiliate, as defined in section 38a-1, of [that insurer] the transferor.  
1590 Any such transfer of the offset by the transferor, and any subsequent  
1591 transfer or transfers of the same offset, shall not affect the obligation of  
1592 the transferor to pay to the Department of Revenue Services any sums  
1593 which are acquired by refund from the association pursuant to  
1594 subsection (f) of this section and which are required to be paid to the  
1595 Department of Revenue Services pursuant to subdivision (1) of this  
1596 subsection. Such offset may be taken by any transferee only against the  
1597 transferee's premium tax liability to this state under chapter 207. The  
1598 Commissioner of Revenue Services shall not allow such offset to a  
1599 transferee against its premium tax liability unless the transferor, the  
1600 affiliate to which the offset was originally transferred, each subsequent  
1601 transferor and each subsequent transferee have filed such information  
1602 as may be required on forms provided by said commissioner with  
1603 respect to any such transfer or transfers on or before the due date of  
1604 the premium tax return on which such offset would have been taken  
1605 by the transferor, if no transfer had been made by the transferor.

1606 Sec. 44. Subsection (a) of section 12-314 of the general statutes is  
1607 repealed and the following is substituted in lieu thereof:

1608 (a) (1) The sale of cigarettes other than in an unopened package  
1609 containing twenty or more cigarettes originating with the

1610 manufacturer which bears the health warning required by law is  
1611 prohibited.

1612 (2) If the Commissioner of Revenue Services finds, after a hearing,  
1613 that any dealer or distributor has violated the provisions of this  
1614 subsection, said commissioner may assess such person a civil penalty  
1615 of fifty dollars for a first offense, two hundred fifty dollars for a second  
1616 offense and five hundred dollars for a third or subsequent offense.  
1617 Such penalty may be in addition to any other penalty provided by law,  
1618 including, but not limited to, the suspension or revocation of the  
1619 license of such dealer or distributor pursuant to section 12-295. Any  
1620 person aggrieved by any action of said commissioner pursuant to this  
1621 subsection may take an appeal of such action as provided in sections  
1622 12-311 and 12-312.

1623 Sec. 45. Subsection (7) of section 12-430 of the general statutes is  
1624 repealed and the following is substituted in lieu thereof:

1625 (7) (a) (i) When a nonresident contractor enters into a contract with a  
1626 person other than a direct payment permit holder, as the term is used  
1627 in section 12-409a, pursuant to which, or in the carrying out of which,  
1628 tangible personal property will be consumed or used in this state, such  
1629 nonresident contractor shall deposit with the Commissioner of  
1630 Revenue Services at the commencement of such contract a sum  
1631 equivalent to five per cent of the total amount to be paid under the  
1632 contract or shall furnish the Commissioner of Revenue Services with a  
1633 guarantee bond satisfactory to said commissioner in a sum equivalent  
1634 to five per cent of such total amount, to secure payment of the taxes  
1635 payable with respect to tangible personal property consumed or used  
1636 pursuant to or in the carrying out of such contract or any other state  
1637 taxes, and shall obtain a certificate from the Commissioner of Revenue  
1638 Services that the requirements of this subsection have been met.

1639 (ii) When a nonresident contractor enters into a contract with a  
1640 direct payment permit holder pursuant to which, or in the carrying out  
1641 of which, tangible personal property will be consumed or used in this

1642 state, such nonresident contractor shall deposit with the Commissioner  
1643 of Revenue Services at the commencement of such contract a sum  
1644 equivalent to two per cent of the total amount to be paid under the  
1645 contract or shall furnish the Commissioner of Revenue Services with a  
1646 guarantee bond satisfactory to said commissioner in a sum equivalent  
1647 to two per cent of such total amount, to secure payment of the taxes  
1648 payable with respect to tangible personal property consumed or used  
1649 pursuant to or in the carrying out of such contract or any other state  
1650 taxes, and shall obtain a certificate from the Commissioner of Revenue  
1651 Services that the requirements of this subsection have been met.

1652 (b) (i) Any person other than a direct payment permit holder  
1653 dealing with a nonresident contractor without first obtaining a copy of  
1654 such certificate from said commissioner shall no later than [thirty]  
1655 ninety days after the commencement of such contract or, if the contract  
1656 is to be completed in less than ninety days, no later than forty-five  
1657 days after the commencement of such contract deduct five per cent of  
1658 all amounts payable to such nonresident contractor and pay it over to  
1659 said commissioner on behalf of or as agent for such nonresident  
1660 contractor or shall furnish said commissioner with a guarantee bond  
1661 satisfactory to said commissioner in a sum equivalent to five per cent  
1662 of such total amount, to secure payment of the taxes payable with  
1663 respect to such tangible personal property consumed or used pursuant  
1664 to or in the carrying out of such contract or any other state taxes.

1665 (ii) Any direct payment permit holder dealing with a nonresident  
1666 contractor without first obtaining a copy of such certificate from said  
1667 commissioner shall no later than [thirty] ninety days after the  
1668 commencement of such contract or, if the contract is to be completed in  
1669 less than ninety days, no later than forty-five days after the  
1670 commencement of such contract deduct two per cent of all amounts  
1671 payable to such nonresident contractor and pay it over to said  
1672 commissioner on behalf of or as agent for such nonresident contractor  
1673 or shall furnish said commissioner with a guarantee bond satisfactory  
1674 to said commissioner in a sum equivalent to two per cent of such total

1675 amount, to secure payment of the taxes payable with respect to such  
1676 tangible personal property consumed or used pursuant to or in the  
1677 carrying out of such contract or any other state taxes.

1678 (c) If any person dealing with such nonresident contractor fails to  
1679 comply with subdivision (b) of this subsection, such person shall be  
1680 personally liable for payment of the taxes imposed by this chapter with  
1681 respect to such tangible personal property consumed or used pursuant  
1682 to or in carrying out such contract or any other state taxes.

1683 (d) When a nonresident contractor enters into a contract with the  
1684 state, said contractor shall provide the Labor Department with  
1685 evidence demonstrating compliance with the provisions of chapters  
1686 567 and 568, the prevailing wage requirements of chapter 557 and any  
1687 other provisions of the general statutes related to conditions of  
1688 employment.

1689 Sec. 46. (NEW) (a) As used in this section:

1690 (1) "Claimant" means a person, company, limited liability company,  
1691 firm, association, corporation or other business entity having received  
1692 approval for financial assistance from a town's assessor or a municipal  
1693 official;

1694 (2) "Financial assistance" means a property tax exemption, property  
1695 tax credit or rental rebate for which the state of Connecticut provides  
1696 direct or indirect reimbursement; and

1697 (3) "Program" means (A) property tax exemptions under section 12-  
1698 81g of the general statutes or subdivision (55), (59), (60), (70), (72) or  
1699 (74) of section 12-81 of the general statutes, (B) tax relief pursuant to  
1700 section 12-129d of the general statutes, as amended by this act, or  
1701 section 12-170aa of the general statutes, as amended by this act, and  
1702 (C) rebates under section 12-170d of the general statutes.

1703 (b) A claimant negatively affected by a decision of the Secretary of  
1704 the Office of Policy and Management with respect to any program may

1705 appeal such decision in the manner set forth in subsection (d) of this  
1706 section. Any notice the secretary issues pursuant to this section shall be  
1707 sent by first class United States mail to a claimant at the address  
1708 entered on the application for financial assistance as filed unless,  
1709 subsequent to the date of said filing, the claimant sends the secretary a  
1710 written request that any correspondence regarding said financial  
1711 assistance be sent to another name or address. The date of any notice  
1712 sent by the secretary pursuant to this section shall be deemed to be the  
1713 date the notice is delivered to the claimant.

1714 (c) The secretary may review any application for financial assistance  
1715 submitted by a claimant in conjunction with a program. The secretary  
1716 may exclude from reimbursement any property included in an  
1717 application that, in the secretary's judgment, does not qualify for  
1718 financial assistance or may modify the amount of any financial  
1719 assistance approved by an assessor or municipal official in the event  
1720 the secretary finds it to be mathematically incorrect, not supported by  
1721 the application, not in conformance with law or if the secretary  
1722 believes that additional information is needed to justify its approval.

1723 (d) (1) If the secretary modifies the amount of financial assistance  
1724 approved by an assessor or municipal official under a program, or  
1725 determines that the claimant who filed written application for such  
1726 financial assistance is ineligible therefor, the secretary shall send a  
1727 written notice of preliminary modification or denial to said claimant  
1728 and shall concurrently forward a copy to the office of the assessor or  
1729 municipal official who approved said financial assistance. The notice  
1730 shall include plain language setting forth the reason for the  
1731 preliminary modification or denial, the name and telephone number of  
1732 a member of the secretary's staff to whom questions regarding the  
1733 notice may be addressed, a request for any additional information or  
1734 documentation that the secretary believes is needed in order to justify  
1735 the approval of such financial assistance, the manner by which the  
1736 claimant may request reconsideration of the secretary's determination  
1737 and the timeframe for doing so. Not later than ninety days after the

1738 date an assessor receives a copy of such preliminary notice, the  
1739 assessor shall determine whether an increase to the taxable grand list  
1740 of the town is required to be made as a result of such modification or  
1741 denial, unless, in the interim, the assessor has received written  
1742 notification from the secretary that a request for a hearing with respect  
1743 to such financial assistance has been approved pursuant to  
1744 subparagraph (B) of subdivision (2) of this subsection. If an assessment  
1745 increase is warranted, the assessor shall promptly issue a certificate of  
1746 correction adding the value of such property to the taxable grand list  
1747 for the appropriate assessment year and shall forward a copy thereof  
1748 to the tax collector, who shall, not later than thirty days following,  
1749 issue a bill for the amount of the additional tax due as a result of such  
1750 increase. Such additional tax shall become due and payable not later  
1751 than thirty days from the date such bill is sent and shall be subject to  
1752 interest for delinquent taxes as provided in section 12-146 of the  
1753 general statutes. With respect to the denial or modification of financial  
1754 assistance for which a hearing is held, the assessor shall not issue a  
1755 certificate of correction until the assessor receives written notice of the  
1756 secretary's final determination following such hearing.

1757 (2) (A) Any claimant aggrieved by the secretary's notice of  
1758 preliminary modification or denial of financial assistance under a  
1759 program may, not later than thirty business days after receiving said  
1760 notice, request a reconsideration of the secretary's decision for any  
1761 factual reason, provided the claimant states the reason for the  
1762 reconsideration request in writing and concurrently provides any  
1763 additional information or documentation that the secretary may have  
1764 requested in the preliminary notice of modification or denial. The  
1765 secretary may grant an extension of the date by which a claimant's  
1766 additional information or documentation must be submitted, upon  
1767 receipt of proof that the claimant has requested such data from another  
1768 governmental agency or if the secretary determines there is good cause  
1769 for doing so.

1770 (B) Not later than thirty business days after receiving a claimant's

1771 request for reconsideration and any additional information or  
1772 documentation the claimant has provided, the secretary shall  
1773 reconsider the preliminary decision to modify or deny said financial  
1774 assistance and shall send the claimant a written notice of  
1775 determination. If aggrieved by the secretary's notice of determination  
1776 with respect to said financial assistance, the claimant may, not later  
1777 than thirty business days after receiving said notice, make application  
1778 for a hearing before said secretary, or the secretary's designee. Such  
1779 application shall be in writing and shall set forth the reason why the  
1780 financial assistance in question should not be modified or denied. Not  
1781 later than thirty business days after receiving an application for a  
1782 hearing, the secretary shall grant or deny such hearing request by  
1783 written notice to the claimant. If the secretary denies the claimant's  
1784 request for a hearing, such notice shall state the reason for said denial.  
1785 If the secretary grants the claimant's request for a hearing, the  
1786 secretary shall send written notice of the date, time and place of the  
1787 hearing, which shall be held not later than thirty business days after  
1788 the date of the secretary's notice granting the claimant a hearing. Such  
1789 hearing may, at the secretary's discretion, be held in the judicial  
1790 district in which the claimant or the claimant's property is located. Not  
1791 later than thirty business days after the date on which a hearing is  
1792 held, a written notice of the secretary's final determination shall be  
1793 sent to the claimant and a copy thereof shall be concurrently sent to the  
1794 assessor or municipal official who approved the financial assistance in  
1795 question.

1796 (3) If any claimant is aggrieved by the secretary's final  
1797 determination concerning the claimant's financial assistance or the  
1798 secretary's decision not to hold a hearing, such claimant may, not later  
1799 than thirty business days after receiving the secretary's notice related  
1800 thereto, appeal to the superior court of the judicial district in which the  
1801 claimant resides or in which the claimant's property that is the subject  
1802 of the appeal is located. Such appeal shall be accompanied by a citation  
1803 to the secretary to appear before said court, and shall be served and  
1804 returned in the same manner as is required in the case of a summons in



1805 a civil action. The pendency of such appeal shall not suspend any  
1806 action by a municipality to collect property taxes from the applicant on  
1807 the property that is the subject of the appeal. The authority issuing the  
1808 citation shall take from the applicant a bond or recognizance to the  
1809 state of Connecticut, with surety, to prosecute the application in effect  
1810 and to comply with the orders and decrees of the court in the premises.  
1811 Such applications shall be preferred cases, to be heard, unless cause  
1812 appears to the contrary, at the first session, by the court or by a  
1813 committee appointed by the court. Said court may grant such relief as  
1814 may be equitable and, if the application is without probable cause,  
1815 may tax double or triple costs, as the case demands; and, upon all  
1816 applications which are denied, costs may be taxed against the  
1817 applicant at the discretion of the court, but no costs shall be taxed  
1818 against the state.

1819 (4) Not later than the date by which the secretary is required to  
1820 certify to the Comptroller the amount of payment with respect to any  
1821 such program, the secretary shall notify each claimant of the final  
1822 modification or denial of financial assistance as claimed, in accordance  
1823 with the procedure set forth in subsection (d) of this section. A copy of  
1824 the notice of final modification or denial shall be sent concurrently to  
1825 the assessor or municipal official who approved such financial  
1826 assistance.

1827 Sec. 47. Section 12-81g of the general statutes is repealed and the  
1828 following is substituted in lieu thereof:

1829 (a) Effective for the assessment year commencing October 1, 1985,  
1830 and each assessment year thereafter, any person entitled to an  
1831 exemption from property tax in accordance with subdivision (19), (20),  
1832 (21), (22), (23), (24), (25) or (26) of section 12-81, reflecting any increase  
1833 made pursuant to the provisions of section 12-62g, shall be entitled to  
1834 an additional exemption from such tax in an amount equal to twice the  
1835 amount of the exemption provided for such person pursuant to any  
1836 such subdivision, provided such person's qualifying income does not

1837 exceed the applicable maximum amount as provided under section  
1838 12-81l, except that if such person has a disability rating of one hundred  
1839 per cent as determined by the Veterans' Administration of the United  
1840 States, the total of such adjusted gross income, individually, if  
1841 unmarried, or jointly, if married, in the calendar year ending  
1842 immediately preceding the assessment date with respect to which such  
1843 additional exemption is allowed, is not more than twenty-one  
1844 thousand dollars if such person is married or not more than eighteen  
1845 thousand dollars if such person is not married. Any claimant who, for  
1846 the purpose of obtaining an exemption under this section, wilfully fails  
1847 to disclose all matters related thereto or with intent to defraud makes  
1848 any false statement shall forfeit the right to claim such additional  
1849 veteran's exemption.

1850 (b) Effective for the assessment year commencing October 1, 1986,  
1851 and each assessment year thereafter, any person entitled to an  
1852 exemption from property tax in accordance with subdivision (19), (20),  
1853 (21), (22), (23), (24), (25) or (26) of section 12-81, reflecting any increase  
1854 made pursuant to the provisions of section 12-62g, and who is not  
1855 receiving or is not eligible to receive the additional exemption under  
1856 subsection (a) of this section, shall be entitled to an additional  
1857 exemption from such tax in an amount equal to one-half of the amount  
1858 of the exemption provided for such person pursuant to any such  
1859 subdivision.

1860 (c) The state shall reimburse each town, city, borough, consolidated  
1861 town and city and consolidated town and borough by the last day of  
1862 each calendar year in which exemptions were granted to the extent of  
1863 the revenue loss represented by the additional exemptions provided  
1864 for in subsections (a) and (b) of this section. The Secretary of the Office  
1865 of Policy and Management shall review each claim for such revenue  
1866 loss as provided in section 46 of this act. Any claimant aggrieved by  
1867 the results of the secretary's review shall have the rights of appeal as  
1868 set forth in section 46 of this act.

1869 (d) The Secretary of the Office of Policy and Management shall  
1870 adopt regulations, in accordance with the provisions of chapter 54,  
1871 establishing: (1) A procedure under which a municipality shall  
1872 determine eligibility for the additional exemption under subsection (a)  
1873 of this section, provided such procedure shall include a provision that  
1874 when an applicant has filed for such exemption and received approval  
1875 for the first time, such applicant shall be required to file for such  
1876 exemption biennially thereafter, subject to the provisions of subsection  
1877 [(f)] (e) of this section; (2) the manner in which a municipality shall  
1878 apply for reimbursement from the state for the revenue loss  
1879 represented by the additional exemptions provided for in subsections  
1880 (a) and (b) of this section, which shall provide a penalty for late filing  
1881 of such application for reimbursement of two hundred fifty dollars but  
1882 shall also provide that the secretary may waive such forfeiture in  
1883 accordance with procedures and standards contained in such  
1884 regulations; and (3) the manner in which the Office of Policy and  
1885 Management may audit and make adjustments to applications for  
1886 reimbursement from municipalities for a period of not more than one  
1887 year next succeeding the deadline for such application.

1888 [(e) Any person aggrieved by action of the assessor or board of  
1889 assessors in disapproving any application for an additional veteran's  
1890 exemption from property tax, as provided under this section, may  
1891 appeal to the Secretary of the Office of Policy and Management, in  
1892 writing, within thirty days following receipt of notice of denial of such  
1893 exemption by the assessor or board of assessors. The secretary shall  
1894 promptly consider such appeal and may approve or disapprove the  
1895 application, provided such decision shall be made not later than sixty  
1896 days following receipt of such written notice of appeal. Notice of the  
1897 secretary's determination regarding the appeal shall be sent to the  
1898 claimant in writing and a copy shall be forwarded to the assessor or  
1899 board of assessors. If the claimant is aggrieved with respect to any  
1900 action of the secretary under this section, such claimant may, within  
1901 thirty days, appeal to the superior court for the judicial district in  
1902 which such application is filed. Any claimant who, for the purpose of

1903 obtaining such additional veteran's exemption under this section,  
1904 wilfully fails to disclose all matters related thereto or with intent to  
1905 defraud makes any false statement shall forfeit the right to claim such  
1906 additional veteran's exemption.]

1907     ~~[(f)]~~ (e) Any person who has submitted application and been  
1908 approved in any year for the additional exemption under subsection  
1909 (a) of this section shall, in the year immediately following approval, be  
1910 presumed to be qualified for such exemption. If, in the year  
1911 immediately following approval, such person has qualifying income in  
1912 excess of the maximum allowed under said subsection (a), such person  
1913 shall notify the tax assessor in the town allowing the additional  
1914 exemption on or before the next filing date for such exemption and  
1915 shall be denied such exemption for the assessment year immediately  
1916 following and for any subsequent year until such person has reapplied  
1917 and again qualified for such exemption. Any person who fails to notify  
1918 the tax assessor of such disqualification shall make payment to the  
1919 town in the amount of property tax loss related to the exemption  
1920 improperly taken. Not more than thirty days after discovering such  
1921 person's ineligibility for the exemption, the assessor shall send written  
1922 notification of such person's identity to the Secretary of the Office of  
1923 Policy and Management. If any payment was remitted under  
1924 subsection (c) of this section with respect to a period for which such  
1925 person was not eligible for the exemption, the amount of the next  
1926 payment made to the town shall be reduced by the amount of payment  
1927 made erroneously.

1928     Sec. 48. Section 12-94a of the general statutes is repealed and the  
1929 following is substituted in lieu thereof:

1930     On or before July first, annually, the tax collector of each  
1931 municipality shall certify to the Secretary of the Office of Policy and  
1932 Management, on a form furnished by said secretary, the amount of tax  
1933 revenue which such municipality, except for the provisions of  
1934 subdivision (55) of section 12-81, would have received, together with

1935 such supporting information as said secretary may require. Any  
1936 municipality which neglects to transmit to said secretary such claim  
1937 and supporting documentation as required by this section shall forfeit  
1938 two hundred fifty dollars to the state, provided said secretary may  
1939 waive such forfeiture in accordance with procedures and standards  
1940 adopted by regulation in accordance with chapter 54. Said secretary  
1941 shall review each such claim [and, not later than the July first next  
1942 succeeding the deadline for the receipt of such claims, shall notify each  
1943 municipality of his acceptance or modification of such claim. Any  
1944 municipality aggrieved by the action of the secretary under the  
1945 provisions of this section may appeal therefrom within thirty days to  
1946 the superior court for the judicial district in which the municipality is  
1947 located. The Secretary of the Office of Policy and Management] as  
1948 provided in section 46 of this act. Any claimant aggrieved by the  
1949 results of the secretary's review shall have the rights of appeal as set  
1950 forth in section 46 of this act. The secretary shall, on or before  
1951 December first, annually, certify to the Comptroller the amount due  
1952 each municipality under the provisions of this section, including any  
1953 modification of such claim made prior to December first, and the  
1954 Comptroller shall draw [his] an order on the Treasurer on or before the  
1955 fifteenth day of December following and the Treasurer shall pay the  
1956 amount thereof to such municipality on or before the thirty-first day of  
1957 December following. If any modification is made as the result of the  
1958 provisions of this section on or after the December first following the  
1959 date on which the tax collector has provided the amount of tax  
1960 revenue in question, any adjustments to the amount due to any  
1961 municipality for the period for which such modification was made  
1962 shall be made in the next payment the Treasurer shall make to such  
1963 municipality pursuant to this section. For the purposes of this section,  
1964 "municipality" means a town, city, borough, consolidated town and  
1965 city or consolidated town and borough.

1966 Sec. 49. Section 12-94b of the general statutes is repealed and the  
1967 following is substituted in lieu thereof:

1968        [(a)] On or before March fifteenth, annually, commencing March 15,  
1969        1998, the assessor or board of assessors of each municipality shall  
1970        certify to the Secretary of the Office of Policy and Management, on a  
1971        form furnished by said secretary, the amount of exemptions approved  
1972        under the provisions of subdivisions (72) and (74) of section 12-81,  
1973        together with such supporting information as said secretary may  
1974        require including the number of exemption claimants so approved and  
1975        the original copy of the [claims] applications filed by them. [Said  
1976        secretary may reevaluate any vehicle included in such claim when, in  
1977        his judgment, the valuation is inaccurate.] Said secretary shall review  
1978        each such claim [and modify the value of any property included  
1979        therein when, in his judgment, the value is inaccurate or exclude any  
1980        property when, in his judgment, it does not qualify pursuant to  
1981        subdivision (72) or (74) of section 12-81] as provided in section 46 of  
1982        this act. Not later than December first next succeeding the conclusion  
1983        of the assessment year for which [such exemption was approved by  
1984        the assessor or assessors] the assessor approved such exemption, the  
1985        secretary shall notify each claimant [and assessor or assessors] of the  
1986        modification or denial of [his] the claimant's exemption, in accordance  
1987        with the procedure set forth in [subsection (b) of this] section 46 of this  
1988        act. Any claimant aggrieved by the results of the secretary's review  
1989        shall have the rights of appeal as set forth in section 46 of this act. The  
1990        secretary shall, on or before December fifteenth, annually, certify to the  
1991        Comptroller the amount due each municipality under the provisions of  
1992        this section, including any modification of such claim made prior to  
1993        December first, and the Comptroller shall draw [his] an order on the  
1994        Treasurer on or before the twenty-fourth day of December following  
1995        and the Treasurer shall pay the amount thereof to such municipality  
1996        on or before the thirty-first day of December following. If any  
1997        modification is made as the result of the provisions of this section on  
1998        or after the December fifteenth following the date on which the  
1999        assessor has provided the amount of the exemption in question, any  
2000        adjustments to the amount due to any municipality for the period for  
2001        which such modification was made shall be made in the next payment

2002 the Treasurer shall make to such municipality pursuant to this section.  
2003 As used in this section, "municipality" means each town, city, borough,  
2004 consolidated town and city and consolidated town and borough and  
2005 each district, as defined in section 7-324, and "next succeeding" means  
2006 the second such date.

2007 [(b) (1) If the Secretary of the Office of Policy and Management  
2008 modifies the value of machinery and equipment or a commercial  
2009 motor vehicle which has been approved for exemption by the assessor  
2010 or board of assessors under subdivision (72) or (74) of section 12-81, or  
2011 determines that the person who filed written application for such  
2012 exemption is ineligible therefor, the secretary shall send written notice  
2013 of such modification or denial to said person, and shall forward a copy  
2014 to the assessor or assessors who approved such exemption. Not later  
2015 than ninety days after the date the assessor or assessors receive a copy  
2016 of such notice, he or they shall determine whether an increase to the  
2017 taxable grand list of the municipality is required to be made as a result  
2018 of such modification or denial, unless, in the interim, the assessor or  
2019 board of assessors have received notification from the Secretary of the  
2020 Office of Policy and Management that a request for a hearing with  
2021 respect to such exemption has been made and approved pursuant to  
2022 subdivision (2) of this subsection. If an increase is warranted, the  
2023 assessor or assessors shall promptly issue a certificate of correction  
2024 adding the value of such property to the taxable grand list and shall  
2025 forward a copy thereof to the tax collector, who shall, not later than  
2026 thirty days following, issue a bill for the amount of the additional tax  
2027 due as a result of such increase. Such additional tax shall become due  
2028 and payable not later than thirty days from the date such bill is sent,  
2029 and shall be subject to interest for delinquent taxes as provided in  
2030 section 12-146. With respect to the denial or modification of an  
2031 exemption for which a hearing is held, the assessor or assessors shall  
2032 not issue a certificate of correction until he or they receive notice from  
2033 the Secretary of the Office of Policy and Management of the  
2034 disposition of such hearing.

2035       (2) Any person aggrieved by the modification or denial of an  
2036 exemption under subdivision (72) or (74) of section 12-81 by the  
2037 Secretary of the Office of Policy and Management may, not later than  
2038 one month after receiving the secretary's notice of such modification or  
2039 denial thereto, make application for a hearing before said secretary, or  
2040 his designee. Such application shall be in writing and shall set forth the  
2041 reasons why the exemption in question should not be modified or  
2042 denied. The secretary shall grant or deny such hearing request by  
2043 written notice to the applicant. If a request for hearing is denied by the  
2044 secretary such notice shall contain a statement of the reason for said  
2045 denial. Not later than sixty days after the date on which a hearing is  
2046 held, said secretary shall send notice of his decision concerning such  
2047 appeal to the applicant and shall forward a copy thereof to the assessor  
2048 or assessors who approved the exemption in question. If any person is  
2049 aggrieved by the secretary's decision concerning the disposition of his  
2050 appeal or the secretary's decision not to hold a hearing, such person  
2051 may, not later than one month after receiving a notice related thereto  
2052 from the secretary, make application in the nature of an appeal to the  
2053 superior court of the judicial district in which the manufacturing  
2054 facility is located or the commercial motor vehicle is subject to  
2055 property taxation. Such application shall be accompanied by a citation  
2056 to the secretary to appear before said court, and shall be served and  
2057 returned in the same manner as is required in the case of a summons in  
2058 a civil action. The pendency of such appeal shall not suspend any  
2059 action by the municipality to collect property taxes from the applicant  
2060 on the machinery and equipment or the commercial motor vehicle that  
2061 is the subject of the appeal. The authority issuing the citation shall take  
2062 from the applicant a bond or recognizance to the state of Connecticut,  
2063 with surety, to prosecute the application in effect and to comply with  
2064 the orders and decrees of the court in the premises. Such applications  
2065 shall be preferred cases, to be heard, unless cause appears to the  
2066 contrary, at the first session, by the court or by a committee appointed  
2067 by the court. Said court may grant such relief as may be equitable and,  
2068 if the application is without probable cause, may tax double or triple



2069 costs, as the case demands; and, upon all applications which are  
2070 denied, costs may be taxed against the applicant at the discretion of the  
2071 court, but no costs shall be taxed against the state.]

2072       Sec. 50. Section 12-129c of the general statutes is repealed and the  
2073 following is substituted in lieu thereof:

2074       (a) No claim shall be accepted under section 12-129b unless the  
2075 taxpayer or [his] authorized agent of such taxpayer files an application  
2076 with the assessor of the municipality in which the property is located,  
2077 in affidavit form as provided by the Secretary of the Office of Policy  
2078 and Management, during the period from February first to and  
2079 including May fifteenth of any year in which benefits are first claimed,  
2080 including such information as is necessary to substantiate said claim in  
2081 accordance with requirements in such application. A taxpayer may  
2082 make application to the secretary prior to August fifteenth of the claim  
2083 year for an extension of the application period. The secretary may  
2084 grant such extension in the case of extenuating circumstance due to  
2085 illness or incapacitation as evidenced by a physician's certificate to that  
2086 extent, or if the secretary determines there is good cause for doing so.  
2087 The taxpayer shall present to the assessor a copy of such taxpayer's  
2088 federal income tax return and the federal income tax return of such  
2089 taxpayer's spouse, if filed separately, for such taxpayer's taxable year  
2090 ending immediately prior to the submission of the taxpayer's  
2091 application, or if not required to file a federal income tax return, such  
2092 other evidence of qualifying income in respect to such taxable year as  
2093 the assessor may require. Each such application, together with the  
2094 federal income tax return and any other information submitted in  
2095 relation thereto, shall be examined by the assessor and if the  
2096 application is approved by the assessor, it shall be forwarded to the  
2097 secretary on or before July first of the year in which such application is  
2098 approved, provided in the case of a taxpayer who received a filing date  
2099 extension from the secretary, such application shall be forwarded to  
2100 the secretary not later than ten business days after the date it is filed  
2101 with the assessor. After a taxpayer's claim for the first year has been

2102 filed and approved such taxpayer shall be required to file such an  
2103 application biennially. In respect to such application required after the  
2104 filing and approval for the first year the tax assessor in each  
2105 municipality shall notify each such taxpayer concerning application  
2106 requirements by regular mail not later than February first of the  
2107 assessment year in which such taxpayer is required to reapply,  
2108 enclosing a copy of the required application form. Such taxpayer may  
2109 submit such application to the assessor by mail provided it is received  
2110 by the assessor not later than March fifteenth in the assessment year  
2111 with respect to which such tax relief is claimed. Not later than April  
2112 first of such year the assessor shall notify, by certified mail, any such  
2113 taxpayer for whom such application was not received by said March  
2114 fifteenth concerning application requirements and such taxpayer shall  
2115 be required not later than May fifteenth to submit such application  
2116 personally or for reasonable cause, by a person acting in behalf of such  
2117 taxpayer as approved by the assessor. [, however, in the case of  
2118 extenuating circumstance due to illness or incapacitation as evidenced  
2119 by a physician's certificate to that extent, the taxpayer may make  
2120 application to the Secretary of the Office of Policy and Management  
2121 prior to August fifteenth of the claim year for any extension of the  
2122 application period. In submitting any such application such taxpayer  
2123 shall present to the assessor in substantiation thereof a copy of such  
2124 taxpayer's federal income tax return and that of such taxpayer's  
2125 spouse, if filed separately, for such taxpayer's taxable year ending  
2126 immediately prior to the submission of such application, or if not  
2127 required to file a federal income tax return, such other evidence of  
2128 qualifying income in respect to such taxable year as the assessor may  
2129 require. Each such application, together with the federal income tax  
2130 return and any other information submitted in relation thereto, shall be  
2131 examined by the assessor and if the application is approved,  
2132 forwarded to the Secretary of the Office of Policy and Management on  
2133 or before July first of the year in which such application is approved.]

2134 [(b) Applicants making application in the calendar year 1974 and  
2135 eligible applicants under section 12-129b who have failed to make

2136 application for benefits thereunder within sixty days following the  
2137 1973 assessment date, or in the towns of Glastonbury and South  
2138 Windsor the 1974 assessment date, shall be permitted to make  
2139 application for such benefits within sixty days following April 15,  
2140 1974, in the usual manner, on the basis of their income for the calendar  
2141 year 1973. Such affidavit shall not be open for public inspection.]

2142 [(c)] (b) Any person knowingly making a false affidavit for the  
2143 purpose of [exemption from taxation] claiming property tax relief  
2144 under section 12-129b and this section shall be [imprisoned not more  
2145 than one year or] fined not more than five hundred dollars. [, or both]  
2146 Any person who fails to disclose all matters relating thereto or with  
2147 intent to defraud makes a false statement shall refund all tax relief  
2148 improperly taken.

2149 Sec. 51. Section 12-129d of the general statutes is repealed and the  
2150 following is substituted in lieu thereof:

2151 (a) On or before January first, annually, the tax collector of each  
2152 municipality shall certify to the Secretary of the Office of Policy and  
2153 Management, on a form furnished by [him] the secretary, the amount  
2154 of tax revenue which such municipality, except for the provisions of  
2155 section 12-129b, would have received, together with such supporting  
2156 information as said secretary may require. On or after December 1,  
2157 1989, any municipality which neglects to transmit [to the Secretary of  
2158 the Office of Policy and Management] the claim and supporting  
2159 information as required by this section shall forfeit two hundred fifty  
2160 dollars to the state, provided said secretary may waive such forfeiture  
2161 in accordance with procedures and standards adopted by regulation in  
2162 accordance with chapter 54. Said secretary shall review each such  
2163 claim [and, not later than the January first next succeeding the  
2164 deadline for the receipt of such claims, shall notify each municipality  
2165 of his acceptance or modification of such claim. Any municipality  
2166 aggrieved by the action of the secretary under the provisions of this  
2167 section may appeal therefrom within thirty days to the superior court

2168 for the judicial district in which the municipality is located] in  
2169 accordance with the procedure set forth in section 46 of this act. Any  
2170 claimant aggrieved by the results of the secretary's review shall have  
2171 the rights of appeal as set forth in section 46 of this act.

2172 (b) The Secretary of the Office of Policy and Management shall, on  
2173 or before August fifteenth, annually, certify to the Comptroller the  
2174 amount due each municipality under the provisions of subsection (a)  
2175 of this section, including any modification of such claim made prior to  
2176 August fifteenth, and the Comptroller shall draw [his] an order on the  
2177 Treasurer on or before the first day of September following and the  
2178 Treasurer shall pay the amount thereof to such municipality on or  
2179 before the fifteenth day of September following. If any modification is  
2180 made as the result of the provisions of subsection (a) of this section on  
2181 or after the August fifteenth following the date on which the tax  
2182 collector has provided the amount of tax revenue in question, any  
2183 adjustments to the amount due to any municipality for the period for  
2184 which such modification was made shall be made in the next payment  
2185 the Treasurer shall make to such municipality pursuant to this section.

2186 [(c) If, in the process of verification, the Secretary of the Office of  
2187 Policy and Management finds a claim for tax relief under this section  
2188 to be mathematically incorrect, not supported by the application or not  
2189 in conformance with the law or that additional information is needed  
2190 to justify approving any such claim for reimbursement, he shall notify  
2191 the assessor or assessors and tax collector and advise him or them of  
2192 the deficiencies therein, or he may correct and fix the amount of such  
2193 tax relief and notify the assessor or assessors and tax collector thereof.  
2194 The assessors shall notify the applicant, in writing, of any correction to  
2195 the amount of tax relief as claimed. Any person aggrieved by the  
2196 action of the secretary or the assessor or assessors in fixing the amount  
2197 of such tax relief or in disapproving any such claim may appeal to the  
2198 secretary, in writing, within thirty days from the date of the  
2199 notification so given, giving notice of such grievance. The secretary  
2200 shall promptly consider such notice and may grant or deny the relief

2201 requested, provided such decision shall be made not later than sixty  
2202 days after the receipt of such notice. If the relief is denied, the applicant  
2203 shall be notified forthwith and may, within thirty days after receipt of  
2204 such notification, request a hearing before such secretary. The  
2205 secretary shall fix a time and place for such hearing within the judicial  
2206 district in which the applicant resides and shall notify the applicant of  
2207 such time and place not later than fifteen days prior to such hearing.  
2208 At such time he may subpoena witnesses and may administer oaths  
2209 and make such inquiries as may be necessary to determine the amount  
2210 of tax relief to conform to the provisions of sections 12-129b to 12-129d,  
2211 inclusive. If the applicant is aggrieved in respect to any action of the  
2212 Secretary of the Office of Policy and Management under this section,  
2213 he may, within thirty days appeal to the superior court for the judicial  
2214 district in which he resides. Any applicant who wilfully fails to  
2215 disclose all matters relating thereto or with intent to defraud makes a  
2216 false statement shall refund all credits improperly taken and shall be  
2217 fined not more than five hundred dollars or imprisoned for one year or  
2218 both.]

2219 Sec. 52. Section 12-170f of the general statutes is repealed and the  
2220 following is substituted in lieu thereof:

2221 (a) Any renter, believing himself or herself to be entitled to a grant  
2222 under section 12-170d for any calendar year, shall make application for  
2223 such grant to the assessor [or assessors] of the municipality in which  
2224 [he] the renter resides or to the duly authorized [agents] agent of such  
2225 assessor or [assessors for such grant] municipality on or after May  
2226 fifteenth and not later than September fifteenth of each year with  
2227 respect to such grant for the calendar year preceding each such year,  
2228 on a form prescribed and furnished by the Secretary of the Office of  
2229 Policy and Management to the [local] assessor. [or assessors.] A renter  
2230 may make application to the [Secretary of the Office of Policy and  
2231 Management] secretary prior to December fifteenth of the claim year  
2232 for an extension of the application period. The secretary may grant  
2233 such extension [if he] in the case of extenuating circumstance due to

2234 illness or incapacitation as evidenced by a physician's certificate to that  
 2235 extent, or if the secretary determines there is good cause for doing so.  
 2236 [Notwithstanding the provisions of this subsection a request for an  
 2237 extension of the 1997 claim year application period may be made not  
 2238 later than August 1, 1998.] A renter making such application shall  
 2239 present to such assessor [, assessors] or [agents] agent, in  
 2240 substantiation of [his] the renter's application, a copy of [his] the  
 2241 renter's federal income tax return, and if not required to file a federal  
 2242 income tax return, such other evidence of qualifying income, receipts  
 2243 for money received, or cancelled checks, or copies thereof, and any  
 2244 other evidence the assessor [, assessors] or such agent may require.  
 2245 When the assessor [, assessors] or [agents] agent is [or are] satisfied  
 2246 that the applying renter is entitled to a grant, such assessor or  
 2247 [assessors or agents] agent shall issue a certificate of grant, in triplicate,  
 2248 in such form as the [Secretary of the Office of Policy and Management]  
 2249 secretary may prescribe and supply showing the amount of the grant  
 2250 due. The assessor [or assessors] or agent shall forward the original  
 2251 copy and attached application to the [Secretary of the Office of Policy  
 2252 and Management] secretary not later than the last day of the month  
 2253 following the month in which the renter has made application. On or  
 2254 after December 1, 1989, any municipality which neglects to transmit to  
 2255 the [Secretary of the Office of Policy and Management] secretary the  
 2256 claim and supporting applications as required by this section shall  
 2257 forfeit two hundred fifty dollars to the state, provided said secretary  
 2258 may waive such forfeiture in accordance with procedures and  
 2259 standards adopted by regulation in accordance with chapter 54. A  
 2260 duplicate of such certificate with a copy of the application attached  
 2261 shall be delivered to the [applicant] renter and the assessor [, assessors]  
 2262 or [agents] agent shall keep the third copy of such certificate and a  
 2263 copy of the application. [for their records.] After the secretary's review  
 2264 of each claim, pursuant to section 46 of this act, and verification of the  
 2265 amount of the grant the [Secretary of the Office of Policy and  
 2266 Management] secretary shall, not later than September thirtieth of each  
 2267 year prepare a list of certificates approved for payment, [by him,] and

2268 shall thereafter supplement such list monthly. Such list and any  
2269 supplements thereto shall be approved for payment by the [Secretary  
2270 of the Office of Policy and Management] secretary and shall be  
2271 forwarded by [him] the secretary to the [State] Comptroller, not later  
2272 than ninety days after receipt of such applications and certificates of  
2273 grant from the assessor or [assessors] agent, and the [State]  
2274 Comptroller shall draw [his] an order [upon] on the [State] Treasurer,  
2275 not later than fifteen days following, in favor of each person on such  
2276 list and on supplements to such list in the amount of such person's  
2277 claim and the Treasurer shall pay such amount to such person, not  
2278 later than fifteen days following. Any claimant aggrieved by the  
2279 results of the secretary's review shall have the rights of appeal as set  
2280 forth in section 46 of this act. Applications filed under this section shall  
2281 not be open for public inspection. Any person who, for the purpose of  
2282 obtaining a grant under section 12-170d, wilfully fails to disclose all  
2283 matters related thereto or with intent to defraud makes false statement  
2284 shall be fined not more than five hundred dollars.

2285 (b) Any municipality may provide, upon approval by its legislative  
2286 body, that the duties and responsibilities of the assessor, as required  
2287 under this section, [and section 12-170g,] shall be transferred to (1) the  
2288 officer in such municipality having responsibility for the  
2289 administration of social services, or (2) the coordinator or agent for the  
2290 elderly in such municipality.

2291 [(c) Notwithstanding the provisions of subsection (a) of this section,  
2292 any renter who files an application for a grant pursuant to the  
2293 increased income levels as established in section 12-170e between July  
2294 1, 1988, and December 1, 1988, inclusive, shall be included on a claim  
2295 to be filed with the Secretary of the Office of Policy and Management  
2296 by the assessor or assessors, within sixty days of receipt of such  
2297 application. Such claims shall be reviewed and approved for payment  
2298 by said secretary and shall be forwarded by him to the State  
2299 Comptroller, not later than the fifteenth day of May next following.  
2300 The State Comptroller shall draw his order upon the State Treasurer,

2301 not later than fifteen days following, in favor of each such person's  
2302 claim, and the Treasurer shall pay such amount to such person not  
2303 later than fifteen days following.]

2304 Sec. 53. Subsection (f) of section 12-170aa of the general statutes is  
2305 repealed and the following is substituted in lieu thereof:

2306 (f) Any homeowner, believing [himself] such homeowner is entitled  
2307 to tax reduction benefits under this section for any assessment year,  
2308 shall make application as required in subsection (e) of this section, to  
2309 the assessor of the municipality in which [he] the homeowner resides,  
2310 for such tax reduction at any time from February first to and including  
2311 May fifteenth of the year in which tax reduction is claimed. [In the case  
2312 of extenuating circumstances of the homeowner's illness or  
2313 incapacitation, evidenced by a physician's certificate to that effect, the  
2314 homeowner may make application to the Secretary of the Office of  
2315 Policy and Management prior to August fifteenth of the year in which  
2316 tax reduction is claimed for an extension of the application period] A  
2317 homeowner may make application to the secretary prior to August  
2318 fifteenth of the claim year for an extension of the application period.  
2319 The secretary may grant such extension in the case of extenuating  
2320 circumstance due to illness or incapacitation as evidenced by a  
2321 physician's certificate to that extent, or if the secretary determines there  
2322 is good cause for doing so. Such application for tax reduction benefits  
2323 shall be submitted on a form prescribed and furnished by the  
2324 [Secretary of the Office of Policy and Management] secretary to the  
2325 [local assessors] assessor. In making application the homeowner shall  
2326 present to such assessor, in substantiation of [his] such homeowner's  
2327 application, a copy of such homeowner's federal income tax return,  
2328 including a copy of the social security statement of earnings for such  
2329 homeowner, and that of such homeowner's spouse, if filed separately,  
2330 for such homeowner's taxable year ending immediately prior to the  
2331 submission of such application, or if not required to file a return, such  
2332 other evidence of qualifying income in respect to such taxable year as  
2333 may be required by the assessor. When the assessor is satisfied that the



2334 applying homeowner is entitled to tax reduction in accordance with  
2335 this section, such assessor shall issue a certificate of credit, in such  
2336 form as the [Secretary of the Office of Policy and Management]  
2337 secretary may prescribe and supply showing the amount of tax  
2338 reduction allowed. A duplicate of such certificate shall be delivered to  
2339 the applicant and the tax collector of the municipality and the assessor  
2340 [or assessors] shall keep the fourth copy of such certificate and a copy  
2341 of the application. [for their records] Any homeowner who, for the  
2342 purpose of obtaining a tax reduction under this section, wilfully fails to  
2343 disclose all matters related thereto or with intent to defraud makes  
2344 false statement shall refund all property tax credits improperly taken  
2345 and shall be fined not more than five hundred dollars. Applications  
2346 filed under this section shall not be open for public inspection.

2347 Sec. 54. Subsection (g) of section 12-170aa of the general statutes is  
2348 repealed and the following is substituted in lieu thereof:

2349 (g) On or before July first, annually, each municipality shall submit  
2350 to the [Secretary of the Office of Policy and Management] secretary, a  
2351 claim for the tax reductions [to be claimed] approved under this  
2352 section in relation to the assessment list of October first immediately  
2353 preceding. On or after December 1, 1987, any municipality which  
2354 neglects to transmit to the [Secretary of the Office of Policy and  
2355 Management] secretary the claim as required by this section shall  
2356 forfeit two hundred fifty dollars to the state provided the secretary  
2357 may waive such forfeiture in accordance with procedures and  
2358 standards established by regulations adopted in accordance with  
2359 chapter 54. Subject to procedures for review and approval of such data  
2360 [, including additions and adjustments, to be established by  
2361 regulations] pursuant to section 46 of this act, said secretary shall, on  
2362 or before December first next following, certify to the Comptroller the  
2363 amount due each municipality as reimbursement for loss of property  
2364 tax revenue related to the tax reductions allowed under this section.  
2365 The Comptroller shall draw [his] an order on the Treasurer on or  
2366 before the fifteenth day of December and the Treasurer shall pay the

2367 amount due each municipality not later than the thirty-first day of  
2368 December. [, next following, provided in a case of any credit adjusted  
2369 pursuant to section 12-170cc, the state may adjust the reimbursement  
2370 made to a municipality for the following calendar year to reflect the  
2371 adjustment made in relation to such credit] Any claimant aggrieved by  
2372 the results of the secretary's review shall have the rights of appeal as  
2373 set forth in section 46 of this act.

2374 Sec. 55. Section 32-9s of the general statutes is repealed and the  
2375 following is substituted in lieu thereof:

2376 The state shall make an annual grant payment to each municipality,  
2377 to each district, as defined in section 7-325, which is located in a  
2378 distressed municipality, targeted investment community or enterprise  
2379 zone and to each special services district created pursuant to chapter  
2380 105a which is located in a distressed municipality, targeted investment  
2381 community or enterprise zone (1) in the amount of fifty per cent of the  
2382 amount of that tax revenue which the municipality or district would  
2383 have received except for the provisions of subdivisions (59) and (60) of  
2384 section 12-81, and (2) in the amount of fifty per cent of the amount of  
2385 the tax revenue which the municipality or district would have received  
2386 except for the provisions of subdivision (70) of section 12-81. On or  
2387 before the first day of August of each year, each municipality and  
2388 district shall file a claim with the Secretary of the Office of Policy and  
2389 Management for the amount of such grant payment to which such  
2390 municipality or district is entitled under this section. The claim shall be  
2391 made on forms prescribed by the [Secretary of the Office of Policy and  
2392 Management] secretary and shall be accompanied by such supporting  
2393 information as the [Secretary of the Office of Policy and Management]  
2394 secretary may require. Any municipality or district which neglects to  
2395 transmit to the [Secretary of the Office of Policy and Management]  
2396 secretary such claim and supporting documentation as required by  
2397 this section shall forfeit two hundred fifty dollars to the state, provided  
2398 the secretary may waive such forfeiture in accordance with procedures  
2399 and standards adopted by regulation in accordance with chapter 54.

2400 The [Secretary of the Office of Policy and Management] secretary shall  
2401 [notify each municipality or district which has made such a claim of  
2402 the acceptance or modification of the claim not later than the August  
2403 first next succeeding the deadline for the receipt of such claims. Any  
2404 municipality or district aggrieved by the action of the Secretary of the  
2405 Office of Policy and Management under the provisions of this section  
2406 may appeal, within one month of receipt of any notice made pursuant  
2407 to this section, to the superior court for the judicial district in which  
2408 such municipality or district is located. The Secretary of the Office of  
2409 Policy and Management] review each such claim as provided in  
2410 section 46 of this act. Any claimant aggrieved by the results of the  
2411 secretary's review shall have the rights of appeal as set forth in section  
2412 46 of this act. The secretary shall, on or before the December first next  
2413 succeeding the deadline for the receipt of such claims, certify to the  
2414 Comptroller the amount due under this section, including any  
2415 modification of such claim made prior to December first, to each  
2416 municipality or district which has made a claim under the provisions  
2417 of this section. The Comptroller shall draw an order on the Treasurer  
2418 on or before the following December fifteenth, and the Treasurer shall  
2419 pay the amount thereof to each such municipality or district on or  
2420 before the following December thirty-first. If any modification is made  
2421 as the result of the provisions of this section on or after the December  
2422 first following the date on which the municipality or district has  
2423 provided the amount of tax revenue in question, any adjustment to the  
2424 amount due to any municipality or district for the period for which  
2425 such modification was made shall be made in the next payment the  
2426 Treasurer shall make to such municipality or district pursuant to this  
2427 section.

2428 Sec. 56. Subsection (b) of section 12-170d of the general statutes is  
2429 repealed and the following is substituted in lieu thereof:

2430 (b) For purposes of determining qualifying income under subsection  
2431 (a) of this section with respect to a married renter who submits an  
2432 application for a grant in accordance with sections 12-170d to [12-170g]

2433 12-170f, inclusive, the Social Security income of the spouse of such  
2434 renter shall not be included in the qualifying income of such renter, for  
2435 purposes of determining eligibility for benefits under said sections, if  
2436 such spouse is a resident of a health care or nursing home facility in  
2437 this state receiving payment related to such spouse under the Title XIX  
2438 Medicaid program. An applicant who is legally separated pursuant to  
2439 the provisions of section 46b-40, as of the thirty-first day of December  
2440 preceding the date on which such person files an application for a  
2441 grant in accordance with sections 12-170d to [12-170g] 12-170f,  
2442 inclusive, may apply as an unmarried person and shall be regarded as  
2443 such for purposes of determining qualifying income under subsection  
2444 (a) of this section.

2445 Sec. 57. Subsection (a) of section 12-94b of the general statutes is  
2446 repealed and the following is substituted in lieu thereof:

2447 (a) On or before March fifteenth, annually, commencing March 15,  
2448 1998, the assessor or board of assessors of each municipality shall  
2449 certify to the Secretary of the Office of Policy and Management, on a  
2450 form furnished by said secretary, the amount of exemptions approved  
2451 under the provisions of subdivisions (72) and (74) of section 12-81,  
2452 together with such supporting information as said secretary may  
2453 require including the number of [claimants so approved] taxpayers  
2454 with approved claims under said subdivisions (72) and (74) and the  
2455 original copy of the claims filed by them. Said secretary may  
2456 reevaluate any vehicle included in such claim when, in [his] the  
2457 secretary's judgment, the valuation is inaccurate. Said secretary shall  
2458 review each such claim and modify the value of any property included  
2459 therein when, in [his] the secretary's judgment, the value is inaccurate  
2460 or exclude any property when, in [his] the secretary's judgment, it does  
2461 not qualify pursuant to subdivision (72) or (74) of section 12-81. Not  
2462 later than December first next succeeding the conclusion of the  
2463 assessment year for which such exemption was approved by the  
2464 assessor or assessors, the secretary shall notify each claimant and  
2465 assessor or assessors of the modification or denial of [his] the

2466 exemption, in accordance with the procedure set forth in subsection (b)  
2467 of this section. With respect to property first approved for exemption  
2468 under the provisions of subdivisions (72) and (74) of section 12-81 for  
2469 the assessment years commencing on or after October 1, 2000, the  
2470 grant payable for such property to any municipality under the  
2471 provisions of this section shall be equal to eighty per cent of the  
2472 property taxes which, except for the exemption under the provisions of  
2473 subdivisions (72) and (74) of section 12-81, would have been paid. The  
2474 secretary shall, on or before December fifteenth, annually, certify to the  
2475 Comptroller the amount due each municipality under the provisions of  
2476 this section, including any modification of such claim made prior to  
2477 December first, and the Comptroller shall draw [his] an order on the  
2478 Treasurer on or before the twenty-fourth day of December following  
2479 and the Treasurer shall pay the amount thereof to such municipality  
2480 on or before the thirty-first day of December following. If any  
2481 modification is made as the result of the provisions of this section on  
2482 or after the December fifteenth following the date on which the  
2483 assessor has provided the amount of the exemption in question, any  
2484 adjustments to the amount due to any municipality for the period for  
2485 which such modification was made shall be made in the next payment  
2486 the Treasurer shall make to such municipality pursuant to this section.  
2487 As used in this section, "municipality" means each town, city, borough,  
2488 consolidated town and city and consolidated town and borough and  
2489 each district, as defined in section 7-324, and "next succeeding" means  
2490 the second such date.

2491 Sec. 58. Section 12-19b of the general statutes is repealed and the  
2492 following is substituted in lieu thereof:

2493 Not later than April first in any assessment year, any town or  
2494 borough to which a grant is payable under the provisions of section 12-  
2495 19a shall provide the Secretary of the Office of Policy and Management  
2496 with the assessed valuation of the [state-owned land and buildings and  
2497 the assessed valuation of the municipally owned airport] real property  
2498 eligible therefor as of the first day of October immediately preceding,

2499 adjusted in accordance with any gradual increase in or deferment of  
2500 assessed values of real property implemented in accordance with  
2501 section 12-62c or subsection (e) of section 12-62a, which is required for  
2502 computation of such grant. Any town which neglects to transmit to the  
2503 [Secretary of the Office of Policy and Management] secretary the  
2504 assessed valuation as required by this section shall forfeit two hundred  
2505 fifty dollars to the state, provided the secretary may waive such  
2506 forfeiture in accordance with procedures and standards adopted by  
2507 regulation in accordance with chapter 54. Said secretary may on or  
2508 before the first day of August of the state fiscal year in which such  
2509 grant is payable, reevaluate any such property when, in [his] the  
2510 secretary's judgment, the valuation is inaccurate and shall notify such  
2511 town of such reevaluation by certified or registered mail. Any town or  
2512 borough aggrieved by the action of the secretary under the provisions  
2513 of this section may, not later than ten business days following receipt  
2514 of such notice, appeal to the secretary for a hearing concerning such  
2515 reevaluation. Such appeal shall be in writing and shall include a  
2516 statement as to the reasons for such appeal. The secretary shall, not  
2517 later than ten business days following receipt of such appeal, grant or  
2518 deny such hearing by notification in writing, including in the event of  
2519 a denial, a statement as to the reasons for such denial. Such notification  
2520 shall be sent by certified or registered mail. If any town or borough is  
2521 aggrieved by the action of the secretary following such hearing or in  
2522 denying any such hearing, the town or borough may [within two  
2523 weeks of] not later than ten business days after receiving such notice,  
2524 appeal to the superior court for the judicial district wherein such town  
2525 is located. Any such appeal shall be privileged.

2526 Sec. 59. Section 12-19c of the general statutes is repealed and the  
2527 following is substituted in lieu thereof:

2528 The Secretary of the Office of Policy and Management shall, not  
2529 later than September first, certify to the Comptroller the amount due  
2530 each town or borough under the provisions of section 12-19a, or under  
2531 any recomputation occurring prior to said September first which may

2532 be effected as the result of the provisions of section 12-19b, and the  
2533 Comptroller shall draw [his] an order on the Treasurer on or before the  
2534 fifteenth day of September following and the Treasurer shall pay the  
2535 amount thereof to such town on or before the thirtieth day of  
2536 September following. If any recomputation is effected as the result of  
2537 the provisions of section 12-19b on or after the [September] August  
2538 first following the date on which the town has provided the assessed  
2539 valuation in question, any adjustments to the amount due to any town  
2540 for the period for which such adjustments were made shall be made in  
2541 the next payment the Treasurer shall make to such town pursuant to  
2542 this section.

2543 Sec. 60. Section 12-20a of the general statutes is repealed and the  
2544 following is substituted in lieu thereof:

2545 [On or before January first, annually, the] (1) The Secretary of the  
2546 Office of Policy and Management shall determine the amount due to  
2547 each municipality in the state, in accordance with this section, as a  
2548 state grant in lieu of taxes with respect to real property exempt from  
2549 taxation under any of the subdivisions of section 12-81 that is owned  
2550 by [any] and used as a private nonprofit institution of higher education  
2551 or any nonprofit general hospital facility or free standing chronic  
2552 disease hospital or an urgent care facility that operates for at least  
2553 twelve hours a day and that had been the location of a nonprofit  
2554 general hospital for at least a portion of calendar year 1996 to receive  
2555 payments in lieu of taxes for such property, exclusive of any such  
2556 facility operated by the federal government or the state of Connecticut  
2557 or any subdivision thereof. [As used in this section "private nonprofit  
2558 institution of higher education" means any such institution engaged  
2559 primarily in education beyond the high school level, the property of  
2560 which is exempt from property tax under any of the subdivisions of  
2561 section 12-81; "nonprofit general hospital facility" means any such  
2562 facility which is used primarily for the purpose of general medical care  
2563 and treatment, exclusive of any hospital facility used primarily for the  
2564 care and treatment of special types of disease or physical or mental

2565 conditions; and "free standing chronic disease hospital" means a  
2566 facility which provides for the care and treatment of chronic diseases,  
2567 excluding any such facility having an ownership affiliation with and  
2568 operated in the same location as a chronic and convalescent nursing  
2569 home.]

2570     (2) The grant payable to any municipality under the provisions of  
2571 this section in the state fiscal year commencing July 1, 1999, and in  
2572 each fiscal year thereafter, shall be equal to seventy-seven per cent of  
2573 the property taxes which, except for any exemption applicable to any  
2574 such institution of higher education or general hospital facility under  
2575 the provisions of section 12-81, would have been paid with respect to  
2576 such exempt real property on the assessment list in such municipality  
2577 for the assessment date two years prior to the commencement of the  
2578 state fiscal year in which such grant is payable. The amount of the  
2579 grant payable to each municipality in any year in accordance with this  
2580 section shall be reduced proportionately in the event that the total of  
2581 such grants in such year exceeds the amount appropriated for the  
2582 purposes of this section with respect to such year.

2583     (3) As used in this section and section 12-20b the word  
2584 "municipality" means any town, consolidated town and city,  
2585 consolidated town and borough, borough, district, as defined in  
2586 section 7-324, and any city not consolidated with a town; "institution of  
2587 higher education" means any such institution, as defined in subsection  
2588 (a) of section 10a-34 or any independent college or university, as  
2589 defined in section 10a-37, which offers courses of instruction in  
2590 education beyond the high school level for which college or university-  
2591 level credit may be given or may be received by transfer; "general  
2592 hospital facility" means any such facility which is used primarily for  
2593 the purpose of general medical care and treatment, exclusive of any  
2594 hospital facility used primarily for the care and treatment of special  
2595 types of disease or physical or mental conditions; and "free standing  
2596 chronic disease hospital" means a facility which provides for the care  
2597 and treatment of chronic diseases, excluding any such facility having



2598 an ownership affiliation with and operated in the same location as a  
2599 chronic and convalescent nursing home.

2600 Sec. 61. Subdivision (55) of section 12-412 of the general statutes is  
2601 repealed and the following is substituted in lieu thereof:

2602 (55) Sales of (A) tangible personal property by any funeral  
2603 establishment performing the primary services in preparation for and  
2604 the conduct of burial or cremation, provided any such property must  
2605 be used directly in the performance of such services and the total  
2606 amount of such exempt sales with respect to any single funeral may  
2607 not exceed two thousand five hundred dollars, or (B) caskets used for  
2608 burial or cremation.

2609 Sec. 62. Subsection (d) of section 32-9p of the general statutes is  
2610 repealed and the following is substituted in lieu thereof:

2611 (d) "Manufacturing facility" means any plant, building, other real  
2612 property improvement, or part thereof, (1) which (A) is constructed or  
2613 substantially renovated or expanded on or after July 1, 1978, in a  
2614 distressed municipality, a targeted investment community as defined  
2615 in section 32-222, or an enterprise zone designated pursuant to section  
2616 32-70, or (B) is acquired on or after July 1, 1978, in a distressed  
2617 municipality, a targeted investment community as defined in section  
2618 32-222, or an enterprise zone designated pursuant to said section 32-70,  
2619 by a business organization which is unrelated to and unaffiliated with  
2620 the seller, after having been idle for at least one year prior to its  
2621 acquisition and regardless of its previous use; (2) which is to be used  
2622 for the manufacturing, processing or assembling of raw materials,  
2623 parts or manufactured products, for research and development  
2624 facilities directly related to manufacturing, for the significant servicing,  
2625 overhauling or rebuilding of machinery and equipment for industrial  
2626 use, or, except as provided in this subsection, for warehousing and  
2627 distribution or, (A) if located in an enterprise zone designated  
2628 pursuant to said section 32-70, which is to be used by an establishment,  
2629 an auxiliary or an operating unit of an establishment as such terms are

2630 defined in the Standard Industrial Classification Manual, in the  
2631 categories of depository institutions, nondepository credit institutions,  
2632 insurance carriers, holding or other investment offices, business  
2633 services, health services, fishing, hunting and trapping, motor freight  
2634 transportation and warehousing, water transportation, transportation  
2635 by air, transportation services, security and commodity brokers,  
2636 dealers, exchanges and services, telemarketing or engineering,  
2637 accounting, research, management and related services including, but  
2638 not limited to, management consulting services from the Standard  
2639 Industrial Classification Manual or in Sector 48, 49, 52, 54, 55, or 62,  
2640 Subsector 114 or 561, or industry group 5621 in the North American  
2641 Industrial Classification System, United States Manual, United States  
2642 Office of Management and Budget, 1997 edition, which establishment,  
2643 auxiliary or operating unit shows a strong performance in exporting  
2644 goods and services, and as further defined by the commissioner  
2645 through regulations adopted under chapter 54, [or in Sector 48, 49, 52,  
2646 54, 55, or 62, Subsector 114 or 561, or industry group 5621 in the North  
2647 American Industrial Classification System, United States manual,  
2648 United States Office of Management and Budget, 1997 edition,] or (B) if  
2649 located in an enterprise zone designated pursuant to said section 32-70,  
2650 which is to be used by an establishment primarily engaged in  
2651 supplying goods or services in the fields of computer hardware or  
2652 software, computer networking, telecommunications or  
2653 communications, or (C) if located in a municipality with an  
2654 entertainment district designated under section 32-76 or established  
2655 under section 2 of public act 93-311\*, is to be used in the production of  
2656 entertainment products, including multimedia products, or as part of  
2657 the airing, display or provision of live entertainment for stage or  
2658 broadcast, including support services such as set manufacturers,  
2659 scenery makers, sound and video equipment providers and  
2660 manufacturers, stage and screen writers, providers of capital for the  
2661 entertainment industry and agents for talent, writers, producers and  
2662 music properties and technological infrastructure support including,  
2663 but not limited to, fiber optics, necessary to support multimedia and

2664 other entertainment formats, except entertainment provided by or  
2665 shown at a gambling or gaming facility or a facility whose primary  
2666 business is the sale or serving of alcoholic beverages; and (3) for which  
2667 the department has issued an eligibility certificate in accordance with  
2668 section 32-9r. In the case of facilities which are acquired, the  
2669 department may waive the requirement of one year of idleness if it  
2670 determines that, absent qualification as a manufacturing facility under  
2671 subdivisions (59) and (60) of section 12-81, and sections 12-217e, 32-9p  
2672 to 32-9s, inclusive, and 32-23p, there is a high likelihood that the  
2673 facility will remain idle for one year. In the case of facilities located in  
2674 an enterprise zone designated pursuant to said section 32-70, (A) the  
2675 idleness requirement in subparagraph (B) of subdivision (1) of this  
2676 subsection, for business organizations which over the six months  
2677 preceding such acquisition have had an average total employment of  
2678 between six and nineteen employees, inclusive, shall be reduced to a  
2679 minimum of six months, and (B) the idleness requirement shall not  
2680 apply to business organizations with an average total employment of  
2681 five or fewer employees, provided no more than one eligibility  
2682 certificate shall be issued under this subparagraph for the same facility  
2683 within a three-year period. Of those facilities which are for  
2684 warehousing and distribution, only those which are newly constructed  
2685 or which represent an expansion of an existing facility qualify as  
2686 manufacturing facilities. In the event that only a portion of a plant is  
2687 acquired, constructed, renovated or expanded, only the portion  
2688 acquired, constructed, renovated or expanded constitutes the  
2689 manufacturing facility. A manufacturing facility which is leased may  
2690 for the purposes of subdivisions (59) and (60) of section 12-81 and  
2691 sections 12-217e, 32-9p to 32-9s, inclusive, and 32-23p, be treated in the  
2692 same manner as a facility which is acquired if the provisions of the  
2693 lease serve to further the purposes of subdivisions (59) and (60) of  
2694 section 12-81, and sections 12-217e, 32-9p to 32-9s, inclusive, and 32-  
2695 23p and demonstrate a substantial, long-term commitment by the  
2696 occupant to use the manufacturing facility, including a contract for  
2697 lease for an initial minimum term of five years with provisions for the

2698 extension of the lease at the request of the lessee for an aggregate term  
2699 which shall not be less than ten years, or the right of the lessee to  
2700 purchase the facility at any time after the initial five-year term, or both.  
2701 For a facility located in an enterprise zone designated pursuant to said  
2702 section 32-70, and occupied by a business organization with an average  
2703 total employment of ten or fewer employees over the six-month period  
2704 preceding acquisition, such contract for lease may be for an initial  
2705 minimum term of three years with provisions for the extension of the  
2706 lease at the request of the lessee for an aggregate term which shall not  
2707 be less than six years, or the right of the lessee to purchase the facility  
2708 at any time after the initial three-year term, or both, and may also  
2709 include the right for the lessee to relocate to other space within the  
2710 same enterprise zone, provided such space is under the same  
2711 ownership or control as the originally leased space or if such space is  
2712 not under such same ownership or control as the originally leased  
2713 space, permission to relocate is granted by the lessor of such originally  
2714 leased space, and such relocation shall not extend the duration of  
2715 benefits granted under the original eligibility certificate. Except as  
2716 provided in subparagraph (B) of subdivision (1) of this subsection, a  
2717 manufacturing facility does not include any plant, building, other real  
2718 property improvement or part thereof used or usable for such  
2719 purposes which existed before July 1, 1978.

2720 Sec. 63. Subsection (f) of section 32-9r of the general statutes is  
2721 repealed and the following is substituted in lieu thereof:

2722 (f) The commissioner shall adopt regulations, in accordance with  
2723 chapter 54, to carry out the provisions of this section. Such regulations  
2724 shall provide that establishments in the category of business services,  
2725 as defined in the Standard Industrial Classification Manual, or [in  
2726 Sector 48, 49, 52, 54, 55, or 62, Subsector 114 or 561, or industry group  
2727 5621 in the North American Industrial Classification System United  
2728 States manual, United States Office of Management and Budget, 1997  
2729 edition, shall] manufacturing facilities, as defined in subsection (d) of  
2730 section 32-9p, as amended by this act, may be eligible for a certificate if

2731 they are located in an enterprise zone.

2732 Sec. 64. Section 12-407c of the general statutes is repealed and the  
2733 following is substituted in lieu thereof:

2734 If any person described in [subdivision (e)] subparagraph (E) of  
2735 subsection (12) of section 12-407 is acting in concert with any person  
2736 described in [subdivision (f)] subparagraph (F) of said subsection, the  
2737 Commissioner of Revenue Services, in the commissioner's discretion,  
2738 may deem and treat such persons as principal and agent, respectively,  
2739 when the commissioner deems it necessary for the efficient  
2740 administration of this chapter and may hold such persons jointly and  
2741 severally liable for the collection and payment of the taxes imposed by  
2742 this chapter. An unaffiliated person providing fulfillment services, as  
2743 defined in subparagraph (C) of subsection (15) of section 12-407, to a  
2744 purchaser of such services shall not be treated as a retailer by the  
2745 commissioner under this section with respect to such activity.

2746 Sec. 65. Subsection (1) of section 12-411 of the general statutes is  
2747 repealed and the following is substituted in lieu thereof:

2748 (1) An excise tax is hereby imposed on the storage, acceptance,  
2749 consumption or any other use in this state of tangible personal  
2750 property purchased from any retailer for storage, acceptance,  
2751 consumption or any other use in this state, the acceptance or receipt of  
2752 any services constituting a sale in accordance with subdivision (2) of  
2753 section 12-407, purchased from any retailer for consumption or use in  
2754 this state, or the storage, acceptance, consumption or any other use in  
2755 this state of tangible personal property which has been manufactured,  
2756 fabricated, assembled or processed from materials by a person, either  
2757 within or without this state, for storage, acceptance, consumption or  
2758 any other use by such person in this state, to be measured by the sales  
2759 price of materials, at the rate of six per cent of the sales price of such  
2760 property or services, except, in lieu of said rate of six per cent, (A) at a  
2761 rate of twelve per cent of the rent paid for occupancy of any room or  
2762 rooms in a hotel or lodging house for the first period of not exceeding

2763 thirty consecutive calendar days, (B) with respect to the storage,  
2764 acceptance, consumption or use in this state of a motor vehicle  
2765 purchased from any retailer for storage, acceptance, consumption or  
2766 use in this state by any individual who is a member of the armed  
2767 forces of the United States and is on full-time active duty in  
2768 Connecticut and who is considered, under 50 App USC 574, a resident  
2769 of another state, or to any such individual and the spouse of such  
2770 individual at a rate of four and one-half per cent of the sales price of  
2771 such vehicle, provided such retailer requires and maintains a  
2772 declaration by such individual, prescribed as to form by the  
2773 commissioner and bearing notice to the effect that false statements  
2774 made in such declaration are punishable, or other evidence,  
2775 satisfactory to the commissioner, concerning the purchaser's state of  
2776 residence under 50 App USC 574, (C) with respect to the acceptance or  
2777 receipt in this state of labor that is otherwise taxable under subdivision  
2778 (c) or (g) of subsection (2) of section 12-407 on existing vessels and  
2779 repair or maintenance services on vessels occurring on and after July 1,  
2780 1999, such services shall be exempt from such tax, (D) (i) with respect  
2781 to the acceptance or receipt in this state of computer and data  
2782 processing services purchased from any retailer for consumption or  
2783 use in this state occurring on or after July 1, 1997, and prior to July 1,  
2784 1998, at the rate of five per cent of such services, on or after July 1,  
2785 1998, and prior to July 1, 1999, at the rate of four per cent of such  
2786 services, on or after July 1, 1999, and prior to July 1, 2000, at the rate of  
2787 three per cent of such services, on or after July 1, 2000, and prior to July  
2788 1, 2001, at the rate of two per cent of such services, on and after July 1,  
2789 2001, and prior to July 1, 2002, at the rate of one per cent of such  
2790 services and on and after July 1, 2002, such services shall be exempt  
2791 from such tax, and (ii) with respect to the acceptance or receipt in this  
2792 state of Internet access services, on or after July 1, 2001, such services  
2793 shall be exempt from tax, (E) with respect to the acceptance or receipt  
2794 in this state of patient care services purchased from any retailer for  
2795 consumption or use in this state occurring on or after July 1, 1999, at  
2796 the rate of five and three-fourths per cent, and (F) with respect to

2797 acceptance of the renovation and repair services of paving of any sort,  
2798 painting or staining, wallpapering, roofing, siding and exterior sheet  
2799 metal work, to other than industrial, commercial or income-producing  
2800 real property, occurring on or after July 1, 1999, and prior to July 1,  
2801 2000, at the rate of four per cent, with respect to such sales occurring  
2802 on or after July 1, 2000, and prior to July 1, 2001, at the rate of two per  
2803 cent, and on and after July 1, 2001, sales of such renovation and repair  
2804 services shall be exempt from such tax.

2805 Sec. 66. Subsection (27) of section 12-412 of the general statutes, as  
2806 amended by section 2 of public act 00-170, is repealed and the  
2807 following is substituted in lieu thereof:

2808 (27) (A) Sales of any items for fifty cents or less from vending  
2809 machines; or (B) sales of food products, as defined in subsection [(23)]  
2810 (13) of this section, sold through coin-operated vending machines.

2811 Sec. 67. Subsections (a) and (b) of section 12-587 of the general  
2812 statutes are repealed and the following is substituted in lieu thereof:

2813 (a) As used in this chapter: (1) "Company" includes a corporation,  
2814 partnership, limited partnership, limited liability company, limited  
2815 liability partnership, association, individual or any fiduciary thereof;  
2816 (2) "quarterly period" means a period of three calendar months  
2817 commencing on the first day of January, April, July or October and  
2818 ending on the last day of March, June, September or December,  
2819 respectively; (3) "gross earnings" means all consideration received  
2820 from the first sale within this state of a petroleum product; (4)  
2821 "petroleum products" means those products which contain or are  
2822 made from petroleum or a petroleum derivative; [ except paraffin or  
2823 microcrystalline waxes;] (5) "first sale of petroleum products within  
2824 this state" means the initial sale of a petroleum product delivered to a  
2825 location in this state; (6) "export" or "exportation" means the  
2826 conveyance of petroleum products from within this state to a location  
2827 outside this state for the purpose of sale or use outside this state; and  
2828 (7) "sale for exportation" means a sale of petroleum products to a

2829 purchaser which itself exports such products.

2830 (b) (1) Except as otherwise provided in subdivision (2) of this  
2831 subsection, any company which is engaged in the refining or  
2832 distribution, or both, of petroleum products and which distributes  
2833 such products in this state shall pay a quarterly tax on its gross  
2834 earnings derived from the first sale of petroleum products within this  
2835 state. Each company shall on or before the last day of the month next  
2836 succeeding each quarterly period render to the commissioner a return  
2837 on forms prescribed or furnished by the commissioner and signed by  
2838 the person performing the duties of treasurer or an authorized agent or  
2839 officer, including the amount of gross earnings derived from the first  
2840 sale of petroleum products within this state for the quarterly period  
2841 and such other facts as the commissioner may require for the purpose  
2842 of making any computation required by this chapter. Except as  
2843 otherwise provided in subdivision (3) of this subsection, the rate of tax  
2844 shall be five per cent.

2845 (2) Gross earnings derived from the first sale of the following  
2846 petroleum products within this state shall be exempt from tax: (A) Any  
2847 petroleum products sold for exportation from this state for sale or use  
2848 outside this state; (B) the product designated by the American Society  
2849 for Testing and Materials as "Specification for Heating Oil D396-69",  
2850 commonly known as number 2 heating oil, to be used exclusively for  
2851 heating purposes or to be used in a commercial fishing vessel, which  
2852 vessel qualifies for an exemption pursuant to section 12-412; (C)  
2853 kerosene, commonly known as number 1 oil, to be used exclusively for  
2854 heating purposes, provided delivery is of both number 1 and number 2  
2855 oil, and via a truck with a metered delivery ticket to a residential  
2856 dwelling or to a centrally metered system serving a group of  
2857 residential dwellings; (D) the product identified as propane gas, to be  
2858 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
2859 fuel, marine diesel oil and marine gas oil to be used in any vessel  
2860 having a displacement exceeding four thousand dead weight tons; (F)  
2861 for any first sale occurring prior to January 1, 2000, propane gas to be



2862 used as a fuel for a motor vehicle; (G) for any first sale occurring on or  
2863 after July 1, 2002, grade number 6 fuel oil, as defined in regulations  
2864 adopted pursuant to section 16a-22c, to be used exclusively by a  
2865 company which, in accordance with census data contained in the  
2866 Standard Industrial Classification Manual, United States Office of  
2867 Management and Budget, 1987 edition, is included in code  
2868 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the  
2869 North American Industrial Classification System United States  
2870 Manual, United States Office of Management and Budget, 1997 edition;  
2871 [or] (H) for any first sale occurring on or after July 1, 2002, number 2  
2872 heating oil to be used exclusively in a vessel primarily engaged in  
2873 interstate commerce, which vessel qualifies for an exemption under  
2874 section 12-412; or (I) for any first sale occurring on or after July 1, 2000,  
2875 paraffin or microcrystalline waxes.

2876 (3) The rate of tax on gross earnings derived from the first sale of  
2877 grade number 6 fuel oil, as defined in regulations adopted pursuant to  
2878 section 16a-22c, to be used exclusively by a company which, in  
2879 accordance with census data contained in the Standard Industrial  
2880 Classification Manual, United States Office of Management and  
2881 Budget, 1987 edition, is included in code classifications 2000 to 3999,  
2882 inclusive, or in Sector 31, 32 or 33 in the North American Industrial  
2883 Classification System United States Manual, United States Office of  
2884 Management and Budget, 1997 edition, or number 2 heating oil used  
2885 exclusively in a vessel primarily engaged in interstate commerce,  
2886 which vessel qualifies for an exemption under section 12-412 shall be:  
2887 (A) Four per cent with respect to calendar quarters commencing on or  
2888 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with  
2889 respect to calendar quarters commencing on or after July 1, 1999, and  
2890 prior to July 1, 2000; (C) two per cent with respect to calendar quarters  
2891 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)  
2892 one per cent with respect to calendar quarters commencing on or after  
2893 July 1, 2001, and prior to July 1, 2002.

2894 Sec. 68. Subsection (a) of section 12-704 of the general statutes is

2895 repealed and the following is substituted in lieu thereof:

2896 (a) (1) Any resident or part-year resident of this state shall be  
 2897 allowed a credit against the tax otherwise due under this chapter in the  
 2898 amount of any income tax imposed on such resident or part-year  
 2899 resident for the taxable year by another state of the United States or a  
 2900 political subdivision thereof or the District of Columbia on income  
 2901 derived from sources therein and which is also subject to tax under  
 2902 this chapter.

2903 (2) In the case of a resident, the credit provided under this section  
 2904 shall not exceed the proportion of the tax otherwise due under this  
 2905 chapter that the amount of the taxpayer's Connecticut adjusted gross  
 2906 income derived from or connected with sources in the other taxing  
 2907 jurisdiction bears to such taxpayer's Connecticut adjusted gross  
 2908 income under this chapter. The provisions of this section shall also  
 2909 apply to resident trusts and estates and, wherever reference is made in  
 2910 this section to residents of this state, such reference shall be construed  
 2911 to include resident trusts and estates.

2912 (3) In the case of a part-year resident, the credit provided under this  
 2913 section shall not exceed the proportion of the tax otherwise due during  
 2914 the period of residency under this chapter that the amount of the  
 2915 taxpayer's Connecticut adjusted gross income derived from or  
 2916 connected with sources in the other jurisdiction during the period of  
 2917 residency bears to such taxpayer's Connecticut adjusted gross income  
 2918 during the period of residency under this chapter. [ , nor shall the] The  
 2919 provisions of this section shall also apply to part-year resident trusts  
 2920 and, wherever reference is made in this section to part-year residents  
 2921 of this state, such reference shall be construed to include part-year  
 2922 resident trusts.

2923 (4) The allowance of the credit provided under this section shall not  
 2924 reduce the tax otherwise due under this chapter to an amount less than  
 2925 what would have been due if the income subject to taxation by such  
 2926 other jurisdiction were excluded from Connecticut adjusted gross

2927 income.

2928 Sec. 69. Subsection (d) of section 22a-132 of the general statutes is  
2929 repealed and the following is substituted in lieu thereof:

2930 (d) The revenue collected in accordance with this section shall be  
2931 deposited in the General Fund. The assessment imposed by this section  
2932 shall not apply to any Connecticut state agency or any Connecticut  
2933 political subdivision or agency thereof.

2934 Sec. 70. Section 12-413b of the general statutes is repealed and the  
2935 following is substituted in lieu thereof:

2936 (a) The Commissioner of Higher Education may select a direct [pay]  
2937 payment permit holder, as described in section 12-409a, for a pilot  
2938 program in accordance with the provisions of this section.

2939 (b) There shall be allowed a credit to such direct [pay] payment  
2940 permit holder in an amount equal to the amount of a qualified  
2941 investment, as defined in subsection (c) of this section, that is made on  
2942 or after July 1, 2000, against the use tax liability that is incurred under  
2943 this chapter by such holder in making purchases on or after July 1,  
2944 2000, of computer equipment to be used in this state in electronic  
2945 commerce. The total amount of such credits allowed under this section  
2946 shall not exceed two million dollars in the aggregate. No credit shall be  
2947 allowed under this section unless the Commissioner of Higher  
2948 Education certifies, in a manner satisfactory to the Commissioner of  
2949 Revenue Services, that a qualified investment has been made by the  
2950 direct [pay] payment permit holder and that projects related to such  
2951 investment have been completed. The Commissioner of Revenue  
2952 Services may adopt regulations, in accordance with the provisions of  
2953 chapter 54, which prescribe the procedures for the direct [pay]  
2954 payment permit holder to claim the credit allowed under this section.

2955 (c) For purposes of this section, "qualified investment" means  
2956 resources, including, but not limited to, cash, property or services

2957 provided by a direct [pay] payment permit holder to a public or  
2958 private college or university in this state, for the design, planning,  
2959 construction or renovation of buildings or classrooms, the acquisition  
2960 of computer equipment or the acquisition of other property or licenses  
2961 necessary for operation of computer programs which will be used in  
2962 the instruction of students in business studies related to electronic  
2963 commerce or in work force development programs.

2964 Sec. 71. Section 12-407a of the general statutes is repealed and the  
2965 following is substituted in lieu thereof:

2966 (a) [The] Except as otherwise provided in subsections (b) and (c) of  
2967 this section, the rendering of telecommunications service shall be  
2968 subject to tax under this chapter as a sale, for purposes of subdivision  
2969 (k) of subsection (2) of section 12-407 when such service is (1) (A)  
2970 originated in this state and terminated in this state, (B) originated in  
2971 this state and terminated outside this state and with respect to which  
2972 such service is charged to a telephone number, customer or account  
2973 located in this state or to the account of any transmission instrument in  
2974 this state or (C) originated outside this state and terminated in this  
2975 state and with respect to which such service is charged to a telephone  
2976 number, customer or account located in this state or to the account of  
2977 any transmission instrument in this state, or (2) rendered by providing  
2978 a private interstate telecommunications line on which the customer for  
2979 such line has two or more locations connected to such line and the  
2980 charges for which are related to (A) the number of customer locations  
2981 connected to such line in this state, (B) the distance between customer  
2982 locations connected to such line in this state, and (C) a portion of such  
2983 line determined by a ratio, the numerator of which is the number of air  
2984 miles between the state border and the denominator of which is the  
2985 number of air miles between said closest connection to the state border  
2986 in this state and the customer location connected to such line which is  
2987 closest to the state border outside this state.

2988 (b) For purposes of determining the application of tax under this

chapter to cellular mobile telecommunications service in accordance with subdivision (1) of subsection (a) of this section, (A) a call originated from a cellular mobile telephone shall be deemed to have originated in this state if the first site in a cellular telephone system, at which messages to or from cellular mobile telephones are transmitted or received, to establish a completed call is located in this state, (B) a call terminated at a cellular mobile telephone shall be deemed to have terminated in this state if the first such site to transmit the call to such telephone is located in this state, (C) a call originated in this state as described in subparagraph (A) of this subsection shall be deemed to have originated and terminated in this state if the call terminates in this state, and (D) a call terminated in this state as described in subparagraph (B) of this subsection shall be deemed to have originated and terminated in this state if the call originates in this state. This subsection shall apply to services that are rendered prior to August 2, 2002, provided, if a court of competent jurisdiction enters a final judgment on the merits that is based on federal law, that is no longer subject to appeal, and that substantially limits or impairs the essential elements of Sections 116 to 126, inclusive, of Title 4 of the United States Code, this subsection shall also apply to services that are rendered on or after the date of entry of such judgment.

(c) (1) For purposes of this subsection:

(A) "Mobile telecommunications service" means mobile telecommunications service, as defined in 4 USC 124;

(B) "Charges for mobile telecommunications services" means charges for mobile telecommunications services, as defined in 4 USC 124;

(C) "Home service provider" means home service provider, as defined in 4 USC 124;

(D) "Customer" means customer, as defined in 4 USC 124;

3019 (E) "Place of primary use" means place of primary use, as defined in  
3020 4 USC 124; and

3021 (F) "Taxing jurisdiction" means taxing jurisdiction, as defined in 4  
3022 USC 124.

3023 (2) (A) For purposes of determining the application of tax under this  
3024 chapter to mobile telecommunications service, mobile  
3025 telecommunications services provided in any taxing jurisdiction to a  
3026 customer, the charges for which are billed by or for the customer's  
3027 home service provider, shall be deemed to be provided by the  
3028 customer's home service provider.

3029 (B) Subject to the specific exceptions described in 4 USC 116(c), all  
3030 charges for mobile telecommunications services that are deemed to be  
3031 provided by the customer's home service provider are subject to tax  
3032 under this chapter if the customer's place of primary use is in this state  
3033 regardless of where the mobile telecommunications services originate,  
3034 terminate or pass through.

3035 (3) (A) A home service provider shall be responsible for obtaining  
3036 and maintaining a record of the customer's place of primary use.  
3037 Except as provided in subdivision (4) of this subsection, if the home  
3038 service provider's reliance on the information provided by its customer  
3039 is in good faith: (i) The home service provider may rely on the  
3040 applicable residential or business street address supplied by the home  
3041 service provider's customer; and (ii) the home service provider shall  
3042 not be held liable for any additional taxes under this chapter based on  
3043 a different determination of the place of primary use.

3044 (B) Except as provided in subdivision (4) of this subsection, a home  
3045 service provider may treat the address used by the home service  
3046 provider for purposes of this chapter, for any customer under a service  
3047 contract or agreement in effect on July 28, 2002, as that customer's  
3048 place of primary use for the remaining term of such service contract or  
3049 agreement, excluding any extension or renewal of such service contract

3050 or agreement.

3051 (4) (A) If the commissioner determines that the address used by a  
3052 home service provider as a customer's place of primary use is not, in  
3053 fact, the customer's place of primary use, the commissioner shall notify  
3054 such customer of such determination and provide such customer an  
3055 opportunity to demonstrate that the address used by a home service  
3056 provider as a customer's place of primary use is, in fact, the customer's  
3057 place of primary use.

3058 (B) If the customer fails to demonstrate, to the satisfaction of the  
3059 commissioner, that the address is, in fact, the customer's place of  
3060 primary use, the commissioner shall provide the home service  
3061 provider with notice of the proper address to be used as such  
3062 customer's place of primary use, and the home service provider shall  
3063 begin using the address provided by the commissioner as such  
3064 customer's place of primary use on a prospective basis from the date  
3065 the commissioner provides notice of such address.

3066 (5) (A) Notwithstanding any other provision of law, the  
3067 commissioner may provide an electronic database, as described in 4  
3068 USC 119, and any revisions to such database, to a home service  
3069 provider.

3070 (B) If the commissioner does not provide an electronic database, as  
3071 described in subparagraph (A) of this subdivision, to a home service  
3072 provider, the home service provider shall be held harmless from tax  
3073 under this chapter that otherwise would be due solely as a result of an  
3074 assignment of a street address to an incorrect taxing jurisdiction if,  
3075 subject to subdivision (4) of this subsection, the home service provider  
3076 employs an enhanced zip code to assign each street address to a  
3077 specific taxing jurisdiction for each level of taxing jurisdiction and  
3078 exercises due diligence at each level of taxing jurisdiction to ensure  
3079 that each such street address is assigned to the correct taxing  
3080 jurisdiction.

3081       (6) (A) If a customer believes that an amount of tax or an assignment  
3082 of place of primary use or taxing jurisdiction included on a billing is  
3083 erroneous, the customer shall notify the home service provider in  
3084 writing. The customer shall include in such written notification the  
3085 street address for the customer's place of primary use, the account  
3086 name and number for which the customer requests a correction, a  
3087 description of the error asserted by the customer and any other  
3088 information that the home service provider reasonably requires to  
3089 process the request. No later than sixty days after the date of receiving  
3090 a notice under this subdivision, the home service provider shall review  
3091 its records. If such review establishes that the amount of tax, or the  
3092 assignment of place of primary use or taxing jurisdiction is erroneous,  
3093 then the home service provider shall correct the error and refund or  
3094 credit the amount of tax erroneously collected from the customer for a  
3095 period of up to two years from the date of the customer's written  
3096 notification. If such review establishes that the amount of tax, or the  
3097 assignment of place of primary use or taxing jurisdiction is correct,  
3098 then the home service provider shall provide a written explanation to  
3099 the customer.

3100       (B) If the customer is not satisfied with the explanation of the home  
3101 service provider under subparagraph (A) of this subdivision, the  
3102 customer may claim a refund from the taxing jurisdiction affected,  
3103 provided the customer has first exhausted the remedy available to  
3104 customers under subparagraph (A) of this subdivision, and, if the  
3105 customer has done so and if the taxing jurisdiction affected is this state,  
3106 the claim is made within the time prescribed in section 12-425.

3107       (7) This subsection shall apply to services that are rendered on or  
3108 after August 2, 2002, provided, if a court of competent jurisdiction  
3109 enters a final judgment on the merits that is based on federal law, that  
3110 is no longer subject to appeal, and that substantially limits or impairs  
3111 the essential elements of Sections 116 to 126, inclusive, of Title 4 of the  
3112 United States Code, this subsection shall be invalid and have no legal  
3113 effect as of the date of entry of such judgment.



3114     (d) If nontaxable charges are aggregated with and not separately  
3115     stated from taxable charges for telecommunications services, then the  
3116     nontaxable charges may be subject to tax unless the provider can  
3117     reasonably identify charges not subject to tax under this chapter from  
3118     its books and records that are kept in the regular course of business. A  
3119     customer may not rely upon the nontaxability of charges for services  
3120     unless the customer's provider separately states the charges for  
3121     nontaxable services from taxable charges for telecommunications  
3122     services or the provider elects, after receiving written request from the  
3123     customer in the form required by the provider, to provide verifiable  
3124     data based upon the provider's books and records that are kept in the  
3125     regular course of business that reasonably identifies the nontaxable  
3126     charges.

3127     Sec. 72. Subsection (f) of section 38a-88a of the general statutes is  
3128     repealed and the following is substituted in lieu thereof:

3129     (f) The credit allowed by this section may be claimed only with  
3130     respect to an income year for which a certification of continued  
3131     eligibility required under subsection (g) of this section has been issued.  
3132     If, with respect to any year for which a tax credit is claimed, any  
3133     subject insurance business ceases at any time to employ at least  
3134     twenty-five per cent of its total work force in new jobs, then, except as  
3135     provided in subsection (g) of this section, the entitlement to the credit  
3136     allowed by this section shall not be allowed for the taxable year in  
3137     which such employment ceases, and there shall not be a pro rata  
3138     application of the credit to such taxable year; provided, if the reason  
3139     for such cessation is the dissolution, liquidation or reorganization of  
3140     such insurance business in bankruptcy or delinquency proceeding, as  
3141     defined in section 38a-905, the credit shall be allowed.

3142     Sec. 73. Subsection (b) of section 1 of public act 01-179 is repealed  
3143     and the following is substituted in lieu thereof:

3144     (b) Any proceedings authorizing the issuance of bonds under this  
3145     section may contain a provision that taxes or a specified portion

3146 thereof, if any, identified in such authorizing proceedings and levied  
3147 upon taxable real or personal property, or both, in a project each year,  
3148 or payments or grants in lieu of such taxes or a specified portion  
3149 thereof, by or for the benefit of any one or more municipalities,  
3150 districts or other public taxing agencies, as the case may be, shall be  
3151 divided as follows: (1) In each fiscal year that portion of the taxes or  
3152 payments or grants in lieu of taxes which would be produced by  
3153 applying the then current tax rate of each of the taxing agencies to the  
3154 total sum of the assessed value of the taxable property in the project on  
3155 the date of such authorizing proceedings, adjusted in the case of grants  
3156 in lieu of taxes to reflect the applicable statutory rate of  
3157 reimbursement, shall be allocated to and when collected shall be paid  
3158 into the funds of the respective taxing agencies in the same manner as  
3159 taxes by or for said taxing agencies on all other property are paid; and  
3160 (2) that portion of the assessed taxes or the payments or grants in lieu  
3161 of taxes, or both, each fiscal year in excess of the amount referred to in  
3162 subdivision (1) of this subsection shall be allocated to and when  
3163 collected shall be paid into a special fund of the Connecticut  
3164 Development Authority to be used in each fiscal year, in the discretion  
3165 of the Connecticut Development Authority, to pay the principal of and  
3166 interest due in such fiscal year on bonds issued by the Connecticut  
3167 Development Authority to finance, refinance or otherwise assist such  
3168 project, to purchase bonds issued for such project, or to reimburse the  
3169 provider of or reimbursement party with respect to any guarantee,  
3170 letter of credit, policy of bond insurance, funds deposited in a debt  
3171 service reserve fund, funds deposited as capitalized interest or other  
3172 credit enhancement device used to secure payment of debt service on  
3173 any bonds issued by the Connecticut Development Authority to  
3174 finance, refinance or otherwise assist such project, to the extent of any  
3175 payments of debt service made therefrom. Unless and until the total  
3176 assessed valuation of the taxable property in a project exceeds the total  
3177 assessed value of the taxable property in such project as shown by the  
3178 last assessment list referred to in subdivision (1) of this subsection, all  
3179 of the taxes levied and collected and all of the payments or grants in

3180 lieu of taxes due and collected upon the taxable property in such  
3181 project shall be paid into the funds of the respective taxing agencies.  
3182 When such bonds and interest thereof, and such debt service  
3183 reimbursement to the provider of or reimbursement party with respect  
3184 to such credit enhancement, have been paid in full, all moneys  
3185 thereafter received from taxes or payments or grants in lieu of taxes  
3186 upon the taxable property in such development project shall be paid  
3187 into the funds of the respective taxing agencies in the same manner as  
3188 taxes on all other property are paid. The total amount of bonds issued  
3189 pursuant to this section which are payable from grants in lieu of taxes  
3190 payable by the state shall not exceed an amount of bonds, the debt  
3191 service on which in any state fiscal year is, in total, equal to one million  
3192 dollars.

3193 Sec. 74. Section 14-41 of the general statutes is repealed and the  
3194 following is substituted in lieu thereof:

3195 (a) Except as provided in section 14-41a, as amended by this act,  
3196 each motor vehicle or motorcycle operator's license shall be renewed  
3197 [quadrennially] every six years on the date of the operator's birthday.  
3198 On and after July 1, 2001, the Commissioner of Motor Vehicles shall  
3199 screen the vision of each motor vehicle operator prior to every other  
3200 renewal of [his] the operator's license of such operator in accordance  
3201 with a schedule adopted by the commissioner. Such screening  
3202 requirement shall apply to every other renewal following the initial  
3203 screening. In lieu of the vision screening by the commissioner, such  
3204 operator may submit the results of a vision screening conducted by a  
3205 licensed health care professional qualified to conduct such screening  
3206 on a form prescribed by the commissioner during the twelve months  
3207 preceding such renewal. No motor vehicle operator's license may be  
3208 renewed unless the operator passes such vision screening. The  
3209 commissioner shall adopt regulations in accordance with the  
3210 provisions of chapter 54 to implement the provisions of this subsection  
3211 relative to the administration of vision screening.

3212 (b) An original operator's license shall expire within a period not  
3213 exceeding ~~[four]~~ six years following the date of the operator's next  
3214 birthday. The fee for such original license shall be computed at the rate  
3215 of seventy-five cents per month except that the fee shall not exceed  
3216 three dollars and fifty cents for any six-month period, plus the sum of  
3217 three dollars; and on and after July 1, 1992, one dollar per month  
3218 except that the fee shall not exceed four dollars for any six-month  
3219 period plus the sum of ~~[three dollars and fifty]~~ five dollars and twenty-  
3220 five cents.

3221 (c) If a change is made in the records of the Department of Motor  
3222 Vehicles affecting the date of birth of an operator after the original  
3223 issuance or renewal of an operator's license, the expiration date shall  
3224 remain as originally issued or renewed until the license expires. The  
3225 operator shall then be issued a renewal license to expire on the date of  
3226 the operator's birthday. No renewal license shall be issued for a period  
3227 of less than twenty-four months or more than ~~[forty-eight]~~ seventy-two  
3228 months depending on the year of the operator's birth. The fee for such  
3229 renewal license shall be computed at the rate of forty-five cents per  
3230 month from the last day of the month in which such license expired  
3231 except that the fee shall not exceed two dollars and fifty cents for any  
3232 six-month period, plus the sum of one dollar.

3233 (d) The commissioner shall, at least fifteen days before the date on  
3234 which each motor vehicle or motorcycle operator's license expires,  
3235 notify the operator of the expiration date. Any previously licensed  
3236 operator who operates a motor vehicle within sixty days after the  
3237 expiration date of ~~[his]~~ the operator's license without obtaining a  
3238 renewal of ~~[his]~~ the license shall be deemed to have failed to renew a  
3239 motor vehicle operator's license and shall be fined in accordance with  
3240 the amount designated for the infraction of failure to renew a motor  
3241 vehicle operator's license. Any operator so charged shall not be  
3242 prosecuted under section 14-36 or 14-40a for the same act constituting  
3243 a violation under this section but sections 14-36 and 14-40a shall apply  
3244 after the sixty-day period.

3245 (e) Notwithstanding the provisions of section 1-3a, if the expiration  
3246 date of any motor vehicle or motorcycle operator's license or any  
3247 public passenger transportation permit falls on any day when offices  
3248 of the commissioner are closed for business or are open for less than a  
3249 full business day, the license or permit shall be deemed valid until  
3250 midnight of the next day on which offices of the commissioner are  
3251 open for a full day of business.

3252 Sec. 75. Section 14-41a of the general statutes is repealed and the  
3253 following is substituted in lieu thereof:

3254 (a) An individual sixty-five years of age or older may renew a motor  
3255 vehicle or motorcycle operator's license for either a two-year period or  
3256 a [four-year] six-year period. The fee for any license issued for a two-  
3257 year period shall be seventeen dollars. On and after July 1, 1992, the fee  
3258 shall be nineteen dollars.

3259 (b) Notwithstanding the provisions of subsection (a) of section 14-  
3260 36d, the Commissioner of Motor Vehicles may waive the requirement  
3261 that a motor vehicle or motorcycle operator's license issued for either a  
3262 two-year period or a [four-year] six-year period to an operator sixty-  
3263 five years of age or older bear a photograph of the operator upon  
3264 written application by such operator and a showing of hardship,  
3265 which shall include, but not be limited to, the proximity of such  
3266 operator's residence to a Department of Motor Vehicles branch office  
3267 providing license renewal services.

3268 Sec. 76. Section 14-44h of the general statutes is repealed and the  
3269 following is substituted in lieu thereof:

3270 (a) Each commercial driver's license shall be renewed  
3271 [quadrennially] every six years on the date of the operator's birthday.

3272 (b) A commercial driver's license shall expire within a period not  
3273 exceeding [four] six years following the date of the operator's next  
3274 birthday. The fee for such original license shall be computed at the rate

3275 of [one dollar per month except that the fee shall not exceed five  
3276 dollars for any six-month period, plus the sum of five dollars; and on  
3277 and after July 1, 1992,] one dollar and twenty-five cents per month  
3278 except that the fee shall not exceed five dollars and fifty cents for any  
3279 six-month period plus the sum of [six] nine dollars.

3280 (c) If a change is made in the records of the Department of Motor  
3281 Vehicles affecting the date of birth of an operator after the original  
3282 issuance or renewal of a commercial driver's license, the expiration  
3283 date shall remain as originally issued or renewed until the license  
3284 expires. The operator shall then be issued a renewal license to expire  
3285 on the date of the operator's birthday. No renewal license shall be  
3286 issued for a period of less than twenty-four months or more than  
3287 [forty-eight] seventy-two months depending on the year of the  
3288 operator's birth. The fee for such renewal license shall be computed at  
3289 the rate of one dollar per month from the last day of the month in  
3290 which such license expired except that the fee shall not exceed five  
3291 dollars for any six-month period, plus the sum of four dollars.

3292 (d) The commissioner shall, at least fifteen days before the date on  
3293 which each commercial driver's license expires, notify the operator of  
3294 the expiration date. Any previously licensed operator who operates a  
3295 commercial motor vehicle within sixty days after the expiration date of  
3296 [his] such operator license without obtaining a renewal of [his] such  
3297 license shall be deemed to have failed to renew a motor vehicle  
3298 operator's license and shall be fined in accordance with the amount  
3299 designated for the infraction of failure to renew a motor vehicle  
3300 operator's license. Any operator so charged shall not be prosecuted  
3301 under section 14-36 or 14-40a for the same act constituting a violation  
3302 under this section but said sections 14-36 and 14-40a shall apply after  
3303 the sixty-day period.

3304 (e) Notwithstanding the provisions of section 1-3a, if the expiration  
3305 date of any commercial driver's license falls on any day when offices of  
3306 the commissioner are closed for business or are open for less than a full

3307 business day, the license shall be deemed valid until midnight of the  
3308 next day on which offices of the commissioner are open for a full day  
3309 of business.

3310 [(f) If the holder of a valid public service or class 1 or class 2 license  
3311 issued pursuant to section 14-36a or 14-44 applies for and is issued,  
3312 prior to July 1, 1991, a commercial driver's license, the commissioner is  
3313 authorized to prorate and apply a portion of the fee paid for the  
3314 unexpired public service or class 1 or class 2 license to the fee paid for  
3315 the commercial driver's license.]

3316 Sec. 77. Subsection (a) of section 14-44i of the general statutes is  
3317 repealed and the following is substituted in lieu thereof:

3318 (a) Subject to the provisions of subsection (c) of section 14-44h, as  
3319 amended by this act, there shall be charged a fee of [forty-four]  
3320 seventy-five dollars for each renewal of a commercial driver's license.  
3321 [On and after July 1, 1992, such renewal fee shall be fifty dollars.]

3322 Sec. 78. Subsection (a) of section 14-50 of the general statutes is  
3323 repealed and the following is substituted in lieu thereof:

3324 (a) Subject to the provisions of subsection (c) of section 14-41, there  
3325 shall be charged a fee of [thirty-five dollars and fifty] fifty-three dollars  
3326 and twenty-five cents for each renewal of a motor vehicle operator's  
3327 license and an additional fee of nine dollars for each year for each  
3328 passenger endorsement. There shall be charged a fee of [thirty-seven  
3329 dollars] fifty-five dollars and fifty cents for each renewal of a  
3330 motorcycle operator's license; except that a person who holds a motor  
3331 vehicle operator's license shall not be charged a fee for the renewal of a  
3332 motorcycle operator's license if [he] such person renews said motor  
3333 vehicle operator's license.

3334 Sec. 79. Subsection (a) of section 14-49b of the general statutes is  
3335 repealed and the following is substituted in lieu thereof:

3336 (a) For [the] each new registration or renewal of registration of any

3337 motor vehicle with the Commissioner of Motor Vehicles pursuant to  
3338 this chapter, the person registering such vehicle shall pay to the  
3339 commissioner a fee of [four] ten dollars [at the time of each renewal of  
3340 registration] for registration for a biennial period and five dollars for  
3341 registration for an annual period, except that any individual who is  
3342 sixty-five years of age or older on or after January 1, 1994, may, at [his  
3343 discretion] the discretion of such individual, pay the fee for either a  
3344 one-year or two-year period. The provisions of this section shall not  
3345 apply with respect to any motor vehicle which is not self-propelled,  
3346 which is electrically powered, or which is exempted from payment of a  
3347 registration fee. This fee may be identified as the "federal Clean Air Act  
3348 fee" on any registration form provided by the commissioner. Payments  
3349 collected pursuant to the provisions of this section shall be deposited  
3350 as follows: (1) Fifty-seven and one-half per cent of such payments  
3351 collected shall be deposited into the Special Transportation Fund  
3352 established pursuant to section 13b-68, and (2) forty-two and one-half  
3353 per cent of such payments collected shall be deposited in a treasurer's  
3354 account and credited to a separate, nonlapsing federal Clean Air Act  
3355 account which shall be established by the Comptroller within the  
3356 General Fund. The federal Clean Air Act account may be used to pay  
3357 any costs to state agencies of implementing the requirements of the  
3358 federal Clean Air Act Amendments of 1990 that are not otherwise met  
3359 by the fees collected pursuant to section 22a-174a. All moneys  
3360 deposited in this account are deemed to be appropriated for this  
3361 purpose. The fee required by this section is in addition to any other  
3362 fees prescribed by any other provision of this title for the registration  
3363 of a motor vehicle.

3364 Sec. 80. Subsection (i) of section 38a-88a of the general statutes is  
3365 repealed and the following is substituted in lieu thereof:

3366 (i) (1) If (A) the number of new employees on account of which a  
3367 taxpayer claimed the credit allowed by this section decreases to less  
3368 than twenty-five per cent of its total work force for more than sixty  
3369 days during any of the taxable years for which a credit is claimed, (B)



3370 those employees are not replaced by other employees who have not  
3371 been shifted from an existing location of the subject insurance business  
3372 in this state and (C) the subject insurance business has relocated  
3373 operations conducted in the new facility to a location outside this state,  
3374 the taxpayer shall be required to recapture a percentage, as determined  
3375 under the provisions of subdivision (2) of this subsection, of the credit  
3376 allowed under this section on its tax return and no subsequent credit  
3377 shall be allowed. If the credit claimed by the taxpayer under this  
3378 section is attributable to investments made in more than one insurance  
3379 business, the credit recaptured and disallowed under this subsection  
3380 shall be that portion of the credit attributable to the investment in the  
3381 insurance business as described in subparagraphs (A) to (C), inclusive,  
3382 of subdivision (1) of this subsection. (2) If the taxpayer is required  
3383 under the provisions of subdivision (1) of this subsection to recapture a  
3384 portion of the credit during (A) the first year such credit was claimed,  
3385 then ninety per cent of the credit allowed shall be recaptured on the  
3386 tax return required to be filed for such year, (B) the second of such  
3387 years, then sixty-five per cent of the credit allowed for the entire period  
3388 of eligibility shall be recaptured on the tax return required to be filed  
3389 for such year, (C) the third of such years, then fifty per cent of the  
3390 credit allowed for the entire period of eligibility shall be recaptured on  
3391 the tax return required to be filed for such year, (D) the fourth of such  
3392 years, then thirty per cent of the credit allowed for the entire period of  
3393 eligibility shall be recaptured on the tax return required to be filed for  
3394 such year, (E) the fifth of such years, then twenty per cent of the credit  
3395 allowed for the entire period of eligibility shall be recaptured on the  
3396 tax return required to be filed for such year, and (F) the sixth or  
3397 subsequent of such years, then ten per cent of the credit allowed for  
3398 the entire period of eligibility shall be recaptured on the tax return  
3399 required to be filed for such year. Any credit recaptured pursuant to  
3400 this subsection shall not be in excess of the credit that would be  
3401 allowed for the applicable investment. The Commissioner of Revenue  
3402 Services may recapture such credits from the taxpayer who has  
3403 claimed such credits. If the commissioner is unable to recapture all or

3404 part of such credits from such taxpayer, the commissioner may seek to  
3405 recapture such credits from any taxpayer who has assigned such  
3406 credits to another taxpayer. If the commissioner is unable to recapture  
3407 all or part of such credits from any such taxpayer, the commissioner  
3408 may recapture such credits from the fund. (3) The recapture provisions  
3409 of this subsection shall not apply and tax credits may continue to be  
3410 claimed under this section if, for the entire period that the credit is  
3411 applicable, such decrease in the percentage of total work force  
3412 employed in this state does not result in an actual decrease in the  
3413 number of persons employed by the subject insurance business in this  
3414 state on a regular, full-time, or equivalent thereof, and permanent basis  
3415 as compared to the number of new employees on account of which the  
3416 taxpayer claimed the credit allowed by this section.

3417 Sec. 81. Subsection (c) of section 38a-88b of the general statutes is  
3418 repealed and the following is substituted in lieu thereof:

3419 (c) Notwithstanding the provisions of subsection (a) of this section,  
3420 the provisions of subsections (b) and (l) of section 38a-88a, as amended  
3421 by section 1 of public act 97-292, and subdivision (3) of subsection (i) of  
3422 section 38a-88a, as amended by section 81 of this act, shall be  
3423 applicable to all funds.

3424 Sec. 82. Section 12-91 of the general statutes is repealed and the  
3425 following is substituted in lieu thereof:

3426 (a) All farm machinery, except motor vehicles as defined in section  
3427 14-1, to the value of one hundred thousand dollars, any horse or pony  
3428 which is actually and exclusively used in farming, as defined in section  
3429 1-1, when owned and kept in this state by, or when held in trust for,  
3430 any farmer or group of farmers operating as a unit, a partnership or a  
3431 corporation, a majority of the stock of which corporation is held by  
3432 members of a family actively engaged in farm operations, shall be  
3433 exempt from local property taxation; provided each such farmer,  
3434 whether operating individually or as one of a group, partnership or  
3435 corporation, shall qualify for such exemption in accordance with the

standards set forth in subsection [(b)] (c) of this section for the assessment year for which such exemption is sought. Only one such exemption shall be allowed to each such farmer, group of farmers, partnership or corporation. Subdivision (38) of section 12-81 shall not apply to any person, group, partnership or corporation receiving the exemption provided for in this subsection.

(b) Any municipality, upon approval by its legislative body, may provide an additional exemption from property tax for such machinery to the extent of an additional assessed value of one hundred thousand dollars. Any such exemption shall be subject to the same limitations as the exemption provided under subsection (a) of this section and the application and qualification process provided in subsection (c) of this section.

[(b)] (c) Annually, within thirty days after the assessment date in each town, city or borough, each such individual farmer, group of farmers, partnership or corporation shall make written application for the exemption provided for in subsection (a) of this section to the assessor or board of assessors in the town in which such farm is located, including therewith a notarized affidavit certifying that such farmer, individually or as part of a group, partnership or corporation, derived at least fifteen thousand dollars in gross sales from such farming operation, or incurred at least fifteen thousand dollars in expenses related to such farming operation, with respect to the most recently completed taxable year of such farmer prior to the commencement of the assessment year for which such application is made, on forms to be prescribed by the Commissioner of Agriculture. Failure to file such application in said manner and form within the time limit prescribed shall be considered a waiver of the right to such exemption for the assessment year. Any person aggrieved by any action of the assessors shall have the same rights and remedies for appeal and relief as are provided in the general statutes for taxpayers claiming to be aggrieved by the doings of the assessors or board of assessment appeals.

3469       Sec. 83. Subparagraph (B) of subdivision (72) of section 12-81 of the  
3470       general statutes is repealed and the following is substituted in lieu  
3471       thereof:

3472       (B) Any person who on October first in any year holds title to  
3473       machinery and equipment for which [he] such person desires to claim  
3474       the exemption provided in this subdivision shall file with the assessor  
3475       or board of assessors in the municipality in which the machinery or  
3476       equipment is located, on or before the first day of November in such  
3477       year, a list of such machinery or equipment together with written  
3478       application claiming such exemption on a form prescribed by the  
3479       Secretary of the Office of Policy and Management. Such application  
3480       shall include the taxpayer identification number assigned to the  
3481       claimant by the Commissioner of Revenue Services and the federal  
3482       employer identification number assigned to the claimant by the  
3483       Secretary of the Treasury. If title to such equipment is held by a person  
3484       other than the person claiming the exemption, the claimant shall  
3485       include on [his] such person's application information as to the portion  
3486       of the total acquisition cost incurred by [him] such person, and on or  
3487       before the first day of November in such year, the person holding title  
3488       to such machinery and equipment shall file a list of such machinery  
3489       with the assessor of the municipality in which the manufacturing  
3490       facility of the claimant is located. Such person shall include on the list  
3491       information as to the portion of the total acquisition cost incurred by  
3492       [him] such person. Commercial or financial information in any  
3493       application or list filed under this section shall not be open for public  
3494       inspection, provided such information is given in confidence and is not  
3495       available to the public from any other source. The provisions of this  
3496       subdivision regarding the filing of lists and information shall not  
3497       supersede the requirements to file tax lists under sections 12-42, 12-43,  
3498       12-57a and 12-59. In substantiation of such claim, the claimant and the  
3499       person holding title to machinery and equipment for which exemption  
3500       is claimed shall present to the assessor or board of assessors such  
3501       supporting documentation as said secretary may require, including,  
3502       but not limited to, invoices, bills of sale, contracts for lease and bills of

3503 lading. Failure to file such application in this manner and form within  
3504 the time limit prescribed shall constitute a waiver of the right to such  
3505 exemption for such assessment year, unless an extension of time is  
3506 allowed pursuant to section 12-81k. If title to exempt machinery is  
3507 conveyed subsequent to October first in any assessment year,  
3508 entitlement to such exemption shall terminate for the next assessment  
3509 year and there shall be no pro rata application of the exemption unless  
3510 such machinery or equipment continues to be leased by the  
3511 manufacturer who claimed and was approved for the exemption in the  
3512 previous assessment year. Machinery or equipment shall not be  
3513 eligible for exemption upon transfer from a seller to a related business  
3514 [organization related to or affiliated with the seller] or from a lessor to  
3515 a lessee except to the extent it would have been eligible for exemption  
3516 by the seller or the lessor, as the case may be. For the purposes of this  
3517 subdivision, "related business" means: (i) A corporation, limited  
3518 liability company, partnership, association or trust controlled by the  
3519 taxpayer; (ii) an individual, corporation, limited liability company,  
3520 partnership, association or trust that is in control of the taxpayer; (iii) a  
3521 corporation, limited liability company, partnership, association or trust  
3522 controlled by an individual, corporation, limited liability company,  
3523 partnership, association or trust that is in control of the taxpayer; or  
3524 (iv) a member of the same controlled group as the taxpayer. For  
3525 purposes of this subdivision, "control", with respect to a corporation,  
3526 means ownership, directly or indirectly, of stock possessing fifty per  
3527 cent or more of the total combined voting power of all classes of the  
3528 stock of such corporation entitled to vote. "Control", with respect to a  
3529 trust, means ownership, directly or indirectly, of fifty per cent or more  
3530 of the beneficial interest in the principal or income of such trust. The  
3531 ownership of stock in a corporation, of a capital or profits interest in a  
3532 partnership or association or of a beneficial interest in a trust shall be  
3533 determined in accordance with the rules for constructive ownership of  
3534 stock provided in Section 267(c) of the Internal Revenue Code of 1986,  
3535 or any subsequent corresponding internal revenue code of the United  
3536 States, as from time to time amended, other than paragraph (3) of said

3537 Section 267(c).

3538       Sec. 84. (a) Sections 12-170g, 12-170cc and 12-382 of the general  
3539 statutes are repealed.

3540       (b) In codifying the provisions of this act, the Legislative  
3541 Commissioners shall delete the reference to section 12-382 that appears  
3542 in the following section of the general statutes: 36a-44.

3543       Sec. 85. This act shall take effect July 1, 2001; and sections 1 to 3,  
3544 inclusive, shall be applicable to sales occurring on or after said date;  
3545 section 4 shall be applicable to income years commencing on or after  
3546 January 1, 2001; section 18 shall be applicable to sales occurring on or  
3547 after July 1, 2001; sections 24 and 26 shall be applicable to income years  
3548 commencing on or after January 1, 2001, with respect to petitions filed  
3549 on or after October 1, 2001; section 25 shall be applicable to income  
3550 years commencing on or after January 1, 2001; section 31 shall be  
3551 applicable to quarterly periods commencing on or after October 1,  
3552 2001; section 33 shall apply to payments required to be made on or  
3553 after July 1, 2001; section 71 shall apply only to customer bills issued  
3554 after the first day of the first month beginning more than two years  
3555 after the date of enactment of Public Law No. 106-252; section 30 shall  
3556 take effect October 1, 2001, and shall apply to sales or purchases made  
3557 on or after said date; section 37 shall apply to taxable years  
3558 commencing on or after January 1, 2001; sections 41 and 43 shall apply  
3559 to calendar years commencing on or after January 1, 2001; section 82  
3560 shall be applicable to assessment years commencing on or after  
3561 October 1, 2001; and section 35 shall apply to all open tax periods;  
3562 except that sections 27 to 29, inclusive, shall take effect January 1, 2002;  
3563 and section 19 shall take effect July 1, 2003.